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**TAMILNADU URBAN INFRASTRUCTURE
FINANCIAL SERVICES LIMITED
BOARD OF DIRECTORS**

Mr. Harmander Singh, IAS.,
Principal Secretary to Government,
MA&WS Department
Secretariat, Fort St. George
Chennai 600 009
Chairman

Mrs.Pooja Kulkarni, IAS.,
Special Secretary to Government,
Finance Department,
Secretariat, Fort St. George
Chennai 600 009

Mr.S.Krishnan, IAS.,
Principal Secretary to Government
Housing & Urban Development Department
Secretariat, Fort St. George
Chennai 600 009

Mr. Ashok Dongre, IAS,
Chairman & Managing Director,
Tamil Nadu Urban Finance & Infrastructure
Development Corporation Ltd.,
490/1-2, Anna Salai,
Nandanam, Chennai 600 035

Dr.D.Karthikeyan, IAS.,
Commissioner of Municipal Administration,
Admin.building, 75, Santhome High Road,
R.A.Puram, MRC Nagar,
Chennai 600 028.

Mrs. Kakarla Usha, IAS.,
Managing Director
TNUIFSL,
Chennai 600 028

Mr.Thallam Sreekumar,
Joint General Manager
ICICI Bank Limited,
ICICI Bank Tower, Regional Office,
24, South Phase, Industrial Estate,
Ambattur,
Chennai 600 058

Mr.G.Vetrivel,
Deputy General Manager
ICICI Bank Limited,
No.1, Cenotaph Road,
Teynampet,
Chennai 600018

Mr.Mathew Joseph
Member of Executive Management
HDFC Limited
ITC Center, I Floor,
760, Anna Salai
Chennai – 600 002

Mr.L.Krishnan
IL & FS Urban Infrastructure Managers Limited
Karumuttu Centre, 498,3rd Floor
South Wing, Anna Salai,
Chennai – 600 035.

Bankers
ICICI Bank Limited,
No.1, Cenotaph Road,
Teynampet,
Chennai 600018

Auditors
M/s. Ponraj & Co.,
Chartered Accountants,
Chennai 600 002

**TAMILNADU URBAN INFRASTRUCTURE
TRUSTEE COMPANY LTD
BOARD OF DIRECTORS**

Mr. Harmander Singh, IAS.,
Principal Secretary to Government,
MA&WS Department
Secretariat, Fort St. George
Chennai 600 009
Chairman

Mrs.Pooja Kulkarni, IAS.,
Special Secretary to Government,
Finance Department,
Secretariat, Fort St. George
Chennai 600 009

Mr.S.Krishnan, IAS.,
Principal Secretary to Government
Housing & Urban Development Department
Secretariat, Fort St. George
Chennai 600 009

Mrs.Jayashree Raghunandan, IAS,
Additional Chief Secretary to Government
Planning & Development Department
Secretariat, Fort St. George
Chennai 600 009

Mrs. Kakarla Usha, IAS.,
Managing Director
TNUIFSL,
Chennai 600 028

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ICICI Bank Tower, Regional Office,
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Karumuttu Centre, 498,3rd Floor
South Wing, Anna Salai,
Chennai – 600 035.

Bankers
Indian Bank,
Clock Tower Branch,
Royapettah,
Chennai 600014

Auditors
M/s. Ponraj & Co.,
Chartered Accountants,
Chennai 600 002

Registered Office
No.19, T.P.Scheme Road, Raja Street Extension,
Raja Annamalaipuram, Chennai 600028
Phone: 044-24643103, 24643104, 24643105 Fax: 24613106
Website: www.tnuifsl.com

TAMIL NADU URBAN DEVELOPMENT FUND

Report on the activities of Tamil Nadu Urban Development Fund for the Financial Year 2018 – 2019

1. Background

Tamil Nadu Urban Development Fund, popularly known as TNUDF, was established as a Trust under the Indian Trust Act, 1882 in the year 1996, by the Government of Tamil Nadu. The contributors of TNUDF are Government of Tamil Nadu and three institutions viz., ICICI Bank Limited, Housing Development Finance Corporation Limited and IL & FS Financial Services Limited. TNUDF is the first public-private partnership providing long term finance for civic infrastructure on a non-guarantee mode, in the country.

2. Vision, Mission and Objectives

The Vision of TNUDF is “to be a sustainable financial intermediary that enhances the flow of private capital to urban sector in Tamil Nadu and facilitates urban local bodies become capable and sustainable organizations, sensitive to stakeholders in providing the highest quality of urban services”.

The Mission of TNUDF is “to contribute to improvement in urban quality of life in Tamil Nadu by facilitating efficient urban infrastructure asset creation and provision of urban services through innovative project development, independent appraisal and sustainable financing”

The Objectives of TNUDF is to give financial assistance for setting up of infrastructure projects in Tamil Nadu. The ultimate goal of TNUDF is to become financially self sustainable and to mobilize sources to finance urban infrastructure development.

3. Management

TNUDF is managed by a Corporate Trustee viz., Tamil Nadu Urban Infrastructure Trustee Company Limited (TNUITCL). TNUITCL is managed by the Board of Directors nominated by the Government of Tamil Nadu and three institutions (ICICI, HDFC and IL & FS). The policies and procedures for the operation of TNUDF are prescribed by the Board of TNUITCL. TNUDF is operated by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) as its Fund Manager.

4. Resources

A sum of ₹ 3743.09 crores is available with TNUDF for providing financial assistance for implementation urban infrastructure projects:

(₹ in crores)			
Sl.No.	Sources	Available	Availed
1	Units	199.60	199.60
2	Loan under World Bank assisted TNUDP II	76.90	76.90
3	Loan under World Bank assisted TNUDP III	558.04	558.04
4	Loan under World Bank assisted TNSUDP	1225.92	750.00
5	Loan under JICA assisted TNUIP	260.27	260.27
6	Loan under KfW assisted SMIF – TN-I	355.90	355.90
7	Loan under KfW assisted SMIF – TN-II-1	344.32	329.73
8	Loan under KfW assisted SMIF – TN-II-2	417.36	300.00
9	Loan under ADB assisted TNUFIP-1	304.78	0
	Total	3743.09	2830.44

The balance amount of ₹ 912.65 crores will be availed based on the progress of the projects assisted by TNUDF.

5. Assistance under External Aided Projects

5.1. Tamil Nadu Sustainable Urban Development Project (TNSUDP) assisted by World Bank

The TNSUDP with the assistance of World Bank was launched on 03.06.2015. The Project Development Objective is to improve urban services in participating Urban Local Bodies in a financially sustainable manner and to pilot improved urban management practices in selected cities. A sum of ₹ 930.57 crores has been disbursed as term loan to the ULBs based on the progress of the projects under TNSUDP as on 31.03.2019.

5.2. Sustainable Municipal Infrastructure Financing –Tamil Nadu (SMIF – TN)

Programs assisted by KfW, the German funding agency

The SMIF – TN Program with the assistance of KfW was launched in 2008. The objective is to improve the living conditions of residents in urban areas by constructing and improving water supply, sewerage and other urban facilities. The Program has two Phases and the Phase –II Program has two parts. A sum of ₹ 865.03 crores (₹ 371.52 crores under SMIF – TN Program, ₹ 267.96 crores under SMIF – TN-II-1 Program and ₹ 225.55 crores under SMIF – TN-II-2 Program) has been disbursed as term loan to the ULBs based on the progress of the projects up to 31.03.2019.

5.3. Tamil Nadu Urban Flagship Investment Program (TNUFIP) -Tranche-1

assisted by Asian Development Bank (ADB)

The TNUFIP has three phases (Phase-I, Phase-II and Phase-III). The objective of the Program is to develop priority water supply, sewerage and drainage infrastructure located within strategic industrial corridors of Tamil Nadu, support innovative pilots, improve urban governance and strengthen the capacity of State and local institutions to enhance environmental sustainability, climate resilience and urban livability. The TNUFIP – Tranche-1 was launched on 16.11.2018. The loan for the project will be disbursed from the financial year 2019-20.

6. PERFORMANCE

6.1 Project Loan Approvals

During the financial year 2018-19, term loan of ₹ 441.08 crores has been sanctioned to thirteen urban infrastructure projects. The sector wise financial assistance is as detailed below:

(₹ in Crores)

Sl. No.	Sector	No. of Projects	Project Cost	Term Loan Sanctioned
1	Under Ground Sewerage Scheme	8	2418.19	314.72
2	Water Supply Scheme	3	500.48	124.38
3	Improvement of Water Bodies	2	9.91	1.98
	Total	13	2928.58	441.08

6.2 Project Loan Disbursements

During the financial year 2018-19, a sum of ₹ 376.73 crores has been disbursed as term loan as detailed below:

(₹ in Crores)

Sector	Loan amount disbursed	
	2018 – 2019	2017 – 2018
Sewerage & Sanitation	6.40	7.60
Water Supply	141.39	134.82
Roads, Storm Water Drains, Street Lights & Parks	226.44	298.07
Bus Stands and Office Building	2.50	1.26
Total	376.73	441.75

6.3 Project Loan Recovery

The entire debt service (principal and interest) dues of ₹263.80 crores from the ULBs for the financial year 2018-19 have been collected. TNUDF has achieved record 100% collection efficiency continuously for the past fifteen financial years.

7. Accounts and Audit

The Accounts for the financial year 2018-2019 have been completed and audited by M/s. R. K. Kumar & Co., Chartered Accountants, Chennai.

Tamil Nadu Urban Development Fund

HIGHLIGHTS OF PERFORMANCE

(₹ in Crores)

	31.3.19	31.3.18	31.3.17	31.3.16	31.3.15	31.3.14	31.3.13	31.3.12	31.3.11	31.3.10	31.3.09	31.3.08	31.3.07	31.3.06	31.3.05
Total Assets	3023.23	2610.85	2277.82	2046.03	1800.19	1604.05	1376.92	1272.84	1038.71	1001.40	687.59	673.13	531.40	492.85	477.60
Net worth	266.41	254.99	245.08	229.74	224.08	226.87	222.94	215.67	208.43	205.34	202.26	202.26	202.26	202.26	202.26
Total Income	221.62	196.08	167.78	149.17	137.90	108.13	99.42	84.11	67.25	59.33	51.16	47.28	35.99	28.68	28.44
Total Expenditure	203.09	180.13	157.42	140.37	127.68	101.22	88.67	73.63	62.89	54.83	33.20	28.94	20.66	20.19	21.09
Surplus before provision for contingency	-	-	-	-	-	-	-	-	-	-	17.96	18.34	15.33	8.49	7.35
Provision for Contingency	-	-	-	-	-	-	-	-	-	-	6.17	14.40	10.05	5.07	5.94
Surplus available for distribution	-	-	-	-	-	-	-	-	-	-	11.79	3.94	5.28	3.42	1.41
Surplus before tax	18.53	15.95	10.36	8.80	10.22	6.91	10.75	10.48	4.36	4.50	-	-	-	-	-
Provision for Tax- current yr	7.11	6.05	4.11	3.15	3.85	2.98	3.49	3.24	1.27	1.43	-	-	-	-	-
Net Surplus for the year	11.42	9.90	6.25	5.65	6.37	3.93	7.26	7.24	3.09	3.07	-	-	-	-	-
Provision for Tax prior yr	-	-	(9.09)	-	9.15	-	-	-	-	-	-	-	-	-	-
Net income / surplus after tax transferred to Capital Fund	11.42	9.90	15.34	5.65	(2.78)	3.93	7.26	7.24	3.09	3.07	-	-	-	-	-
Average Return on Loan lending %	8.83	8.78	8.66	8.67	8.62	8.39	8.39	8.54	8.41	8.30	8.01	8.43	8.49	8.12	8.47
Yield on Investments %	8.55	8.66	8.79	9.04	10.78	10.19	10.24	9.74	7.73	9.35	9.78	10.01	8.81	6.49	5.76
Cost of funds %	8.31	8.29	8.39	8.41	8.39	8.09	7.99	7.77	7.64	7.74	7.64	7.62	7.52	7.52	7.99
Loan Sanctions (Net)	441.08	105.17	236.96	1038.76	89.07	773.34	342.21	124.02	123.22	167.68	178.08	209.56	201.94	381.25	147.61
Loan Disbursements	376.73	441.75	359.18	145.84	311.79	566.19	257.68	85.36	185.35	151.46	88.63	70.74	69.42	26.71	102.50
Recoveries Principal + Interest)	263.80	236.36	198.03	166.70	144.39	97.45	82.77	78.45	69.73	52.85	37.34	30.62	22.14	20.82	15.30
Collection Efficiency %	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

R.K. KUMAR & CO
CHARTERED ACCOUNTANTS

ROOM NO. 101-106, 2ND FLOOR, CONGRESS BUILDING, 573, ANNA SALAI, CHENNAI – 600 006.
TEL. : 91-44- 2434 9866, 2434 9867 E-mail : rkkco@dataone.in

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
Tamil Nadu Urban Urban Development Fund

Opinion

We have audited the financial statements of **Tamil Nadu Urban Development Fund** (the entity), which comprise the Balance Sheet as at 31st March 2019, and the Income and Expenditure Account and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31st March 2019, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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, management is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 in accordance with SAs 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.

For **R K Kumar & Co.,**
Chartered Accountants
FRN 001595S
Sd/-

(G Naganathan)

Partner

Membership No. 022456

Place : Chennai
Date : 27-06-2019

TAMIL NADU URBAN DEVELOPMENT FUND
BALANCE SHEET AS AT 31st MARCH 2019

Particulars	Note No.	As at 31/03/2019	As at 31/03/2018
		(₹)	
SOURCES OF FUNDS			
1 Capital Fund			
a. Contribution by Settlor	1	5,000	5,000
b. Reserves & Surplus	2	66,80,83,784	55,38,71,650
2 Other Funds			
a. Units	3	199,59,69,211	199,59,69,211
b. Loans Borrowed	4	2630,83,70,106	2249,58,47,411
3 Current Liabilities	5	125,98,71,636	106,28,12,819
TOTAL		3023,22,99,737	2610,85,06,091
APPLICATION OF FUNDS			
4 Loans Disbursed	6	2532,20,20,854	2217,43,49,056
5 Current Assets	7	491,02,78,883	393,41,57,035
6 Notes including Significant Accounting Policies	10 to 12		
TOTAL		3023,22,99,737	2610,85,06,091

The Notes referred to above form an integral part of the Financial Statements
In terms of our report of even date attached

For R.K.Kumar& Co
Chartered Accountants
Firm Registration No.001595S

Sd/-
G.Naganathan
Partner
Membership No.022456

Sd/-
Kakarla Usha, IAS
Director

Sd/-
Harmander Singh, IAS
Chairman

Tamil Nadu Urban Infrastructure Trustee Company Limited
(Trustees)

Place: Chennai
Date: 27.06.2019

TAMIL NADU URBAN DEVELOPMENT FUND
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31stMARCH 2019

Particulars	Note No.	For the Year 2018-19	For the Year 2017-18
		(₹)	
INCOME			
1 Interest on Loans Disbursed		211,97,73,874	184,99,76,525
2 Interest on Deposits & Savings Bank Accounts		9,64,40,761	11,08,58,929
TOTAL		221,62,14,635	196,08,35,454
EXPENDITURE			
3 Financial Cost	8	191,10,92,842	171,43,21,923
4 Management Fee & other Operating Expenses	9	10,71,68,407	7,65,50,769
5 Provision in respect of Loans Disbursed		1,26,41,252	1,04,67,175
TOTAL		203,09,02,501	180,13,39,867
6 Net income before Tax		18,53,12,134	15,94,95,587
7 Less: Provision for Income Tax - Current Year		7,11,00,000	6,04,96,270
8 Net Surplus for the year		11,42,12,134	9,89,99,317
9 Net Income / Surplus after tax transferred to Capital Fund		11,42,12,134	9,89,99,317
10 Notes including Significant Accounting Policies	10 to 12		

The Notes referred to above form an integral part of the Financial Statements
In terms of our report of even date attached

For R.K.Kumar& Co
Chartered Accountants
Firm Registration No.001595S

Sd/-
G.Naganathan
Partner
Membership No.022456

Sd/-
Kakarla Usha, IAS
Director

Sd/-
Harmander Singh, IAS
Chairman

Tamil Nadu Urban Infrastructure Trustee Company Limited
(Trustees)

Place : Chennai
Date : 27.06.2019

TAMIL NADU URBAN DEVELOPMENT FUND
CASH FLOW STATEMENT FOR THE YEAR ENDED 31stMARCH 2019

	Particulars	For the Year Ended 31/03/2019	For the Year Ended 31/03/2018
		(₹)	
A.	Cash flow From Operating Activities		
	Surplus before Tax	18,53,12,134	15,94,95,587
	Operating Surplus before Working Capital Changes	18,53,12,134	15,94,95,587
	Adjustments for changes in :		
	Current Assets	8,90,92,838	(16,54,67,272)
	Current Liabilities	12,59,58,817	3,15,37,083
	Cash Generated from Operations	40,03,63,789	2,55,65,398
	Less: Tax Paid / Tax Deducted at source	(13,75,17,631)	(17,68,93,545)
	Net Cash from / (Used in) Operating Activities	26,28,46,158	(15,13,28,147)
B.	Cash Flow from Investing Activities		
	Loans Disbursed (Net)	(314,76,71,798)	(260,63,26,498)
	Investment (Net)	0	0
	Net Cash used in Investing Activities	(314,76,71,798)	(260,63,26,498)
C.	Cash Flow from Financing Activities		
	Unit	0	0
	Borrowings (Net)	381,25,22,695	313,92,63,836
	Net Cash from Financing Activities	381,25,22,695	313,92,63,836
	Net (Decrease) / Increase in Cash & Cash Equivalents (A + B + C)	92,76,97,055	38,16,09,191
	Cash and Cash equivalents at the beginning of the Accounting Period	157,19,73,380	119,03,64,189
	Cash and Cash equivalent at the end of the Accounting Period	249,96,70,435	157,19,73,380

In terms of our report of even date attached

For R.K.Kumar& Co
Chartered Accountants
Firm Registration No.001595S

Sd/-
G.Naganathan
Partner
Membership No.022456

Sd/-
Kakarla Usha, IAS
Director

Sd/-
Harmander Singh, IAS
Chairman

Tamil Nadu Urban Infrastructure Trustee Company Limited
(Trustees)

Place : Chennai
Date : 27.06.2019

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31stMARCH 2019

Details	As at 31/03/2019	As at 31/03/2018
	(₹)	
Note-1		
Contribution by Settlor		
Initial Settlement Amount	5,000	5,000
Total	5,000	5,000
Note-2		
Reserves & Surplus		
1 Capital Reserve	2,66,40,789	2,66,40,789
2 Income and Expenditure Account		
Opening balance	52,72,30,861	42,82,31,544
Add : Transfer during the year	11,42,12,134	9,89,99,317
	64,14,42,995	52,72,30,861
Total	66,80,83,784	55,38,71,650
Note-3		
Units		
(19959. 69211 units @ ₹ 1,00,000 per unit)		
1 Contribution from Government of Tamil Nadu	142,91,24,994	142,91,24,994
2 Contribution from Institutions		
ICICI Bank Ltd. : ₹ 23,32,36,491		
HDFC Ltd. : ₹ 16,71,61,299		
IL & FS Financial Services Ltd. : ₹ 16,64,46,427	56,68,44,217	56,68,44,217
Total	199,59,69,211	199,59,69,211
Note- 4		
Loans Borrowed		
1 Loans under IBRD line of credit	1384,93,72,145	1121,87,13,576
2 Loans under JICA line of credit	260,27,00,000	260,27,00,000
3 Loans under KfW line of credit	985,62,97,961	867,44,33,835
Total	2630,83,70,106	2249,58,47,411

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2019

Details	As at 31/03/2019	As at 31/03/2018
	(₹)	
Note- 5		
Current Liabilities		
1 Current Liabilities		
a. Expenses payable	2,70,000	2,70,000
b. TDS payable under GST	7,18,794	0
c. Amount received in advance from borrowers	44,10,51,789	34,85,57,741
d. Interest accrued but not due on borrowings	43,55,68,634	41,78,22,659
e. Front End Fees payable	1,50,00,000	0
2 Provisions for income tax	36,72,62,419	29,61,62,419
Total	125,98,71,636	106,28,12,819
Note- 6		
Loans Disbursed		
1 Loans to Urban Infrastructure Projects	2542,37,15,717	2226,34,02,667
Less: Provisions	10,16,94,863	8,90,53,611
Total	2532,20,20,854	2217,43,49,056
Note- 7		
Current Assets		
1 Cash and Cash Equivalents		
a. In Savings Bank Accounts	10,49,70,435	4,45,73,380
b. In Public Deposit Account	239,47,00,000	152,74,00,000
2 Current Investments		
a. Term Deposits with Companies	95,67,52,954	112,07,87,672
3 Other Current Assets		
a. Interest accrued on deposits and investments	3,54,60,160	4,71,44,347
b. Interest accrued on loans disbursed	59,32,39,033	50,66,12,966
c. Income Tax Paid under protest (Net)	3,35,42,608	3,35,42,608
d. Income tax paid in Advance / Tax Deducted at Source	79,16,13,693	65,40,96,062
Total	491,02,78,883	393,41,57,035

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31stMARCH 2019

Details	For the Year 2018-19	For the Year 2017-18
Note- 8		
Financial Cost		
1 Interest on Units	16,56,65,445	16,56,65,445
2 Interest on loans borrowed	174,54,27,397	154,86,56,478
Total	191,10,92,842	171,43,21,923
Note- 9		
Management Fee & Other Operating Expenses		
1 Management Fees	6,35,97,227	4,00,82,989
2 Front End Fees on loans borrowed	4,24,73,000	3,50,00,000
3 Auditors' Remuneration		
- Audit	1,77,000	1,77,000
- Tax Audit	23,600	23,600
4 Other Expenses	8,97,580	12,67,180
Total	10,71,68,407	7,65,50,769

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

Note – 10- Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

b. Fixed Assets

Fixed assets are stated at actual cost less accumulated depreciation. Cost comprises of the purchase price and any attributable cost of bringing the assets to working condition for its intended use.

c. Depreciation

Depreciation on Fixed Assets is provided pro-rata on the basis of the Written Down Value method using the rates prescribed under the Income Tax Act, 1961.

d. Investments

Current Investments are valued at lower of cost or market value. Long term investments are usually carried at cost.

e. Income Recognition

Interest on loans disbursed and investment income are recognized as per contract on accrual basis.

f. Employee Retirement Benefits

At present there are no employees in the Trust. The Trust is managed by the Fund Manager. Hence, the Trust does not have any policy in this regard.

g. Borrowing Costs

Borrowing costs are capitalized as part of the cost of the qualifying asset when it is probable that they will result in future economic benefit to the Trust and the cost can be measured. Other borrowing costs are recognized as an expense in the year in which they are incurred.

h. Impairment of Assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of assets is measured in line with the relevant Accounting Standard.

TAMIL NADU URBAN DEVELOPMENT FUND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

i. Taxes on Income

Current Tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognized on timing differences, being the difference between taxable income and the accounting income that originate in one year and reversed in another accounting year. Deferred Tax assets and liabilities are computed on the timing differences applying the tax rate and tax laws that have been enacted or subsequently enacted by the balance sheet date. Deferred tax Assets arising on account of unabsorbed depreciation or carry forward of business loss are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

j. Provision, Contingent Liability & Contingent Assets

Provisions are recognized when there is a present obligation as a result of a past event and it is probable that outflows will be required to settle the obligation, which can be reliably estimated.

Contingent liabilities are disclosed after an evaluation of the fact and legal aspects of the matter involved. Contingent assets are neither recognized nor disclosed.

Note – 11 - Notes on Accounts

a. Capital Fund

i. Capital Reserve

Tamil Nadu Urban Development Fund (TNUDF) was established as a Trust under the Indian Trusts Act, 1882, by a Deed of Trust dated 29 November 1996. Accordingly, the first Income and Expenditure Account was prepared for the period 29 November 1996 to 31 March 1997. However as per the orders of Government vide G.O. No. 400 Housing and Urban Development UD III (2) Department dated 13.09.1996, the assets and liabilities as at 30 September 1996 of the Tamil Nadu Municipal Urban Development Fund have been transferred to the Trust. Accordingly, the net income of the TNUDF for the period 1 October 1996 to 28 November 1996 has been accounted under the head Capital Reserve.

ii. Net Income

The entire net income was distributed to the contributors of the Trust, up to FY 2008-09. From the FY 2009-10 interest has been paid to the contributors and the balance net income has been retained by the Trust after providing for Income Tax. Such Net Income has been transferred to Reserves and Surplus under the head Capital Fund.

b. Loans Borrowed

All the loans borrowed by the Trust are unsecured in nature.

TAMIL NADU URBAN DEVELOPMENT FUND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

c. Loans Disbursed and Provisioning Norms thereof

The loans disbursed by the Trust are unsecured in nature. The loan dues (payment of interest and repayment of principal) are collected in accordance with the agreement entered into with the borrowers and the orders of the Government of Tamil Nadu in force from time to time. All the loan dues have been collected by the Trust as on 31st March 2019. Provision @0.40% on the loan balance has been provided for as a prudent measure.

d. Capital commitments, contingent liabilities and others:

- i) Term loans pending disbursement against sanction for which funds have been received from the Government is ₹ 158.96 crores (as on 31st March 2018 is ₹ 77.48 crores).
- ii) The Trust has been assessed to income tax, disregarding the stand of the Trust, for the Assessment Years 1997-98 to 2009-10 and demands have been raised by the Income Tax authorities. The Trust has gone on appeal before the appellate authorities against the orders passed by the Assessing Officer (AO) for all the above years. The Income Tax Appellate Tribunal (ITAT) has passed orders for AY 1997-98 to AY 2007-08 stating that the appeals are allowed for statistical purposes as the case have been remanded back to the Assessing Officer for fresh consideration. The AO has passed order / proceeding stating that the claim regarding exemption of income is not in order and requires to be rejected. In view of the above, Writ Petition before the Hon'ble High Court Judicature at Madras have been filed for the AY 1997-98 to AY 2005-06 and the Form No. 8 has been filed for the AY 2006-07 and 2007-08 with Commissioner of Income Tax (Appeals) as the matter is identical to the issues relating to AY 1997-98 to AY 2005-06. For the Assessment Years 2008-09 and 2009-10 appeal filed with ITAT against the orders of AO has been allowed by ITAT. A sum of ₹ 88,42,86,608/- has been paid towards income tax under protest for the above said Assessment Years and a sum of ₹ 85,07,44,000/- has been provided for contingencies as of 31 March 2009. The net amount of ₹ 3,35,42,608/- is shown under Current Assets.
- iii) For the Assessment Years 2010-11 to 2015-16 the Trust has gone on appeals for the disallowances made by the AO. The contingent liability for the said AYs is ₹ 38,99,36,803/- (tax demanded is ₹ 55,26,47,289/- and the provision for tax made is ₹ 16,27,10,486/-).

e. Expenditure and earnings in Foreign Currency:

The Trust has no earnings and expenditure in Foreign Exchange (previous year: Nil)

Note – 12 - Previous year's figures have been regrouped wherever necessary.

In terms of our report of even date attached

Sd/-
G.Naganathan
Partner
Membership No.022456

Sd/-
Kakarla Usha, IAS
Director

Sd/-
Harmander Singh, IAS
Chairman

Tamil Nadu Urban Infrastructure Trustee Company Limited
(Trustees)

Place : Chennai
Date : 27.06.2019

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

DIRECTOR'S REPORT

To the Members,

Tamil Nadu Urban Infrastructure Trustee Company Limited,

Your Directors have pleasure in submitting their 22nd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2019

1 FINANCIAL RESULTS

(₹ in lakhs)

Particulars	2018-19	2017-18
Total Income	0.99	0.91
Total Expenditure	0.82	0.73
Net Profit before tax	0.17	0.18
Net Profit after tax	0.08	0.19
Net Worth	11.15	11.07

2 SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as at March 31, 2019 is Rs.10.07 lakhs. During the year under review, the Company has not issued shares nor granted any stock options or sweat equity. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

The Company has complied with the provisions of the Dematerialization of shares based on the notification issued by Ministry of Corporate Affairs dated 10th September 2018.

3 DIVIDEND

No Dividend was declared for the current financial year

4 TRANSFER OF UNCLAIMED DIVIDED TO INVESTOR EDUCATION AND PROTECTION FUND

Nil.

5 TRANSFER TO RESERVES

Nil.

6 REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS

There was no change in the nature of business of company. Your Directors are optimistic about company's business and hopeful of better performance with increased revenue in next year.

7 MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report

8 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(m) of the Companies Act, 2013 regarding disclosure of information regarding conservation of energy and technology absorption are not applicable to the Company.

The Company has not earned any foreign exchange and outgo during the financial year 2018-19.

9 DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

10 CORPORATE SOCIAL RESPONSIBILITY

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable for the Company.

11 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

12 TRANSACTIONS WITH RELATED PARTIES

There were no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

13 AUDITOR'S REPORT AND SECRETARIAL COMPLIANCE REPORT

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report are not applicable to the Company. However, the Company is voluntarily obtaining Secretarial Compliance Report to ensure compliance of secretarial matters under the provisions of the Companies Act, 2013 with related rules, which is attached as Annexure to this Report.

14 DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The above said provisions are not applicable to the Company

15 POLICY ON DIRECTORS APPOINTMENT, REMUNERATION AND OTHER DETAILS

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

16 ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is furnished as Annexure and form an integral part of this Report.

17 NUMBER OF MEETINGS OF THE BOARD

The Company has conducted four meetings of the Board of Directors during the financial year under review. The details of meetings held during the year and connected information are furnished below:

Sl. No.	Date(s) of Meetings of the Board	No. of Directors on the date of Meeting	No. of Directors attended the Meeting
1.	25.06.2018	9	9
2.	27.09.2018	9	6
3.	18.12.2018	9	7
4.	21.03.2019	8	6

The attendance of the Directors is furnished below:

Sl. No.	Name of Director	No. of Board Meetings entitled to attend	No. of Board Meetings attended
1.	Mr. Harmander Singh, IAS	4	4
2.	Ms. Kakarla Usha, IAS,	4	3
3.	Ms. Pooja Kulkarni, IAS	4	3
4.	Mr. Ashish Vachhani IAS	3	1
6.	Mr. S.Krishnan, IAS	4	3
7.	Mr. Thallam Sreekumar	4	2
8.	Mr. G.Vetrivel	4	4
9.	Mr. L.Krishnan	4	4
10.	Mr.Mathew Joseph	4	2

18 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors state that:

- i. in the preparation of Annual Accounts for the financial year ended 31st March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2019 and of the profit and loss of the Company for the financial year ended 31st March, 2019;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors have prepared the annual accounts on a going concern basis;

v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

19 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

20 DEPOSITS FROM PUBLIC

The Company has neither accepted nor renewed any deposits during the year under review

21 DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2018-19, Mr. Ashish Vachhani, IAS in the place of Mr. T.V.Somanathan, IAS has been appointed as Director of the Company.

As per the Articles of Association, at every Annual General Meeting, one third of the Directors (other than the Chairman, one another GoTN Nominee Director and one ICICI nominee Director) who have been longest in office since their appointment are liable to retire by rotation. Accordingly, Mr. Mahew Joseph and Mr.L.Krishnan are retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

22 DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 for appointment of Independent Directors are not applicable to the Company.

23 INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Given the nature of business and size of operations, your Company's internal control system has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and Policies.
- Compliance with applicable statutes, policies and management policies and procedures.
- Effective use of resources and safeguarding of assets.

24 STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013, and Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of the Companies Act 2013. In line with the requirements of the Companies Act 2013, the Company in its 20th AGM appointed M/s. Ponraj & Co., Chartered Accountants, Chennai (firm registration number 002672S) as Auditors of the Company for a period of five years to hold office from the conclusion of 20th Annual General Meeting till the conclusion of the 24th Annual General Meeting of the Company (subject to ratification of the appointment by members at every Annual General Meeting) on a remuneration of Rs.20,000/- (plus GST as applicable) per annum.

The requirement for the annual ratification of auditor's appointment at the AGM has been omitted pursuant to Companies (Amendment) Act 2017, notified on May 7, 2018.

There is no audit qualification, reservation or adverse remark for the year under review. During the year, the auditors have confirmed that they satisfy the independence criteria required under Companies Act 2013, code of ethics issued by Institute of Chartered Accountants of India.

25 AUDIT COMMITTEE AND VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

26 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

27 APPRECIATION

Your Directors wish to place on record their appreciation of the assistance and co-operation extended to the Company by the Government of India, Government of Tamil Nadu, World Bank, Japan Bank for International Cooperation, KfW, ICICI Bank, IL & FS Financial Services Limited, Housing Development Finance Corporation Limited, Banks, Urban Local Bodies, Chennai Metropolitan Development Authority, Chennai Metropolitan Water Supply and Sewerage Board, Chennai Rivers Restoration Trust, Internal Auditors and Statutory Auditors. Your Directors have pleasure in recording their appreciation of the dedicated services rendered by the employees at all levels

By Order of the Board of Directors
Sd/-

Harmander Singh, IAS

Chairman

DIN. 03291250

Place : Chennai 600028

Date : 30.08.2019

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)
of the Company (Management & Administration) Rules, 2014.

REGISTRATION & OTHER DETAILS:

- i CIN : U65991TN1996PLC036866
- ii Registration Date : 07.11.1996
- iii Name of the Company : Tamil Nadu Urban Infrastructure Trustee Company Limited
- iv Category/Sub-category of the Company : Non Government Company
- v Address of the Registered office & contact details : No.19, T.P.Scheme Road, Raja Street Extension, Raja Annamalaipuram, Chennai 600 028.
044-24643103
- vi Whether listed company : No
- vii Name , Address & contact details of the Registrar & Transfer Agent, if any. : M/s. Integrated Registry Management Services Private Limited, 2nd Floor, "Kences Towers" North Usman Road, T Nagar, Chennai - 600 017.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated - Not Applicable

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Financial Related Services	9971	100%
2			
3			
4			

III PARTICULARS OF HOLDING SUBSIDIARY & ASSOCIATE COMPANIES

SL No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Not Applicable				
2					
3					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF										
b) Central Govt.or State Govt.		49400	49400	49.06%		49400	49400	49.06%	0	
c) Bodies Corporates										
d) Bank/FI		51300	51300	50.94%		51300	51300	50.94%	0	
e) Any other										
SUB TOTAL:(A) (1)		100700	100700	100%		100700	100700	100%	0	
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
SUB TOTAL (A) (2)										
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		100700	100700	100%		100700	100700	100%	0%	
B. PUBLIC SHAREHOLDING										
(1) Institutions		0	0	0		0	0	0	0	
a) Mutual Funds										
b) Banks/FI										
c) Central govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):		0	0	0		0	0	0	0	
(2) Non Institutions										
a) Bodies corporates										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs										
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs										
c) Others (specify)										
SUB TOTAL (B)(2):		0	0	0		0	0	0	0	
Total Public Shareholding (B)= (B)(1)+(B)(2)		0	00	0		0	0	0		
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)		100700	100700	100%	0	100700	100700	100%	0	0

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	GOVERNOR OF TAMIL NADU	49000	48.66%	0%	49000	48.66%	0%	0%
2	IL & FS FINANCIAL SERVICES LIMITED	17014	16.90%	0%	17014	16.90%	0%	0%
3	HOUSING DEVELOPMENT FINANCE CORPORATION LTD	15000	14.90%	0%	15000	14.90%	0%	0%
4	ICICI BANK LTD	18986	18.85%	0%	18986	18.85%	0%	0%
5	MR. HARMANDER SINGH, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.10%	0%	100	0.10%	0%	0%
6	MRS. POOJA KULKARNI, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.10%	0%	100	0.10%	0%	0%
7	MR.S.KRISHNAN, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.10%	0%	100	0.10%	0%	0%
8	MRS.JAYASHREE RAGHUNANDAN, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.10%	0%	100	0.10%	0%	0%
9	MR. THALLAM SREEKUMAR, (holding shares as nominee of ICICI Bank Ltd)	100	0.10%	0%	100	0.10%	0%	0%
10	MR.G.VETRIVEL (holding shares as nominee of ICICI Bank Ltd)	100	0.10%	0%	100	0.10%	0%	0%
11	MR.L.KRISHNAN (holding shares as nominee of IL&FS Financial Services Ltd)	100	0.10%	0%	100	0.10%	0%	0%
	Total	100700	100.00%	0%	100700	100.00%	0%	0%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

No Change

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares%	% of total shares of the company	No. of Shares%	% of total shares of the company
	At the beginning of the year	100700	100%	100700	100%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	100700	100%	100700	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares%	% of total shares of the company	No. of Shares%	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors & KMP

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares%	% of total shares of the company	No. of Shares%	% of total shares of the company
	For Each of the Directors & KMP				
	At the beginning of the year	700	0.07%	700	0.07%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

DIRECTORS SHAREHOLDING

1	MR. HARMANDER SINGH, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	100	0.01%
2	MRS. POOJA KULKARNI, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	100	0.01%
3	MR.S.KRISHNAN, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	100	0.01%
4	MRS.JAYASHREE RAGHUNANDAN, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	100	0.01%
5	Mr.THALLAM SREEKUMAR, (holding shares as nominee of ICICI Bank Ltd)	100	0.01%	100	0.01%
6	Mr.G.VETRIVEL (holding shares as nominee of ICICI Bank Ltd)	100	0.01%	100	0.01%
7	MR.L.KRISHNAN (holding shares as nominee of IL&FS Financial Services Ltd)	100	0.01%	100	0.01%
	Total	700	0.07%	700	0.07%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
Additions				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	0	0	0	0

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager					
1	Gross salary				0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.						
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961						
2	Stock option						
3	Sweat Equity						
4	Commission as % of profit others (specify)						
5	Others, please specify						
	Total (A)			0	0	0	0
	Ceiling as per the Act						

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors					
1	Independent Directors						
	(a) Fee for attending board committee meetings						
	(b) Commission						
	(c) Others, please specify						
	Total (1)						
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings						
	(b) Commission						
	(c) Others, please specify.						
	Total (2)						
	Total (B)=(1+2)						
	Total Managerial Remuneration		0	0	0		
	Overall Ceiling as per the Act.						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No	Particulars of Remuneration	Key Managerial Personnel					
1	Gross Salary	CEO	Company Secretary	CFO	Total		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.000						
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission as % of profit others, specify						
5	Others, please specify						
	Total	0	0	0			

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

T. MURUGAN, B.Sc., ACA, ACS
Practicing Company Secretary

22-E, Sri Subah Colony,
Munuswamy Road, K.K. Nagar,
Chennai – 600 078.
Ph: 24847075, 9381035900
murugantmp@yahoo.co.in

COMPLIANCE CERTIFICATE

IN: U65991TN1996PLC036866

To

The Members

M/S TAMILNADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

No. 19, T.P Scheme Road,

Raja Street Extension

Raja Annamalipuram

Chennai - 600028

I have examined the registers, records, books and papers of M/s. TAMILNADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED (the Company) as required to be maintained under the Companies Act, 2013, (the Act) and the rules made thereafter and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2019. In my opinion and to the best of my information and according to the examinations carried out by me and the explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions of the Companies Act, 2013 and the rules made there under and all entries have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities with in the time prescribed under the Act and the rules made there under or otherwise with additional fees for late filing of forms/returns under the Act and the rules made there under.
3. The Company being a Public Limited Company, the provisions of Section 2(68) are not applicable to this company.
4. The Board of Directors duly met 4 times 25-06-2018, 27-09-2018, 18-12-2018 and 21-03-2019 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.
5. The Company has not opted to close its Register of Members during the year under review.
6. The Annual General Meeting for the year ended on 31st March, 2018 was held on 27th September 2018, after giving due notice to the members of the members of the company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
7. No Extraordinary General Meeting(s) was/were held during the financial year under review.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in Section 185 of the Act.
9. As there were no instances falling within the purview of Section 188 of the Act, the Company has not obtained any approvals from Board of Directors, members, or the Central Government as the case may be.
10. The Company has not issued any Duplicate Share Certificate during the financial year.
11. The Company has:
 - (i) not issued / transferred any shares during the financial year under review.
 - (ii) has not deposited any amount in a separate bank account as no dividend was declared during the financial year;
 - iii) Not required to transfer any amount to Investor Education and Protection Fund.
 - (iv) Duly complied with the requirements of Section 134 of the Act.

12. The Board of Directors of the company is duly constituted and the appointments of Directors, Additional Directors, Alternate Directors, and Directors to fill casual vacancies have been duly made.
13. There was no appointment of Managing Director / Whole time Director during the financial year under review.
14. The Company has not appointed any sole – selling agents during the financial year.
15. The Company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director, Registrar, or such other authorities as may be prescribed under the various provisions of the Act.
16. The Directors have disclosed their interest in other firms /companies to the Board of Directors pursuant to the provisions of the Act and Rules made there under.
17. The Company has not issued any shares/debentures/other securities during the financial year. The company has complied with the provisions as to the Dematerialization of shares of the company during February 2019.
18. The Company has not bought back shares during the financial year.
19. There was no redemption any preference shares /debentures during the financial year.
20. There were no transactions necessitating the Company to keep in abeyance the rights to dividends, rights shares, and bonus shares pending registration of transfers of shares.
21. The Company has not invited / accepted any deposits including any unsecured loan or advances falling within the purview of Section 73 read with the Companies (Acceptance of Deposit) Rules, 2014.
22. The Company has not made any borrowings during the financial year under review.
23. The Company has not made any inter corporate investments or loans as envisaged under Section 186 of the Act.
24. The Company has not altered the provisions of Memorandum of Association with respect to the situation of the company's registered office from one state to another during the year under scrutiny.
25. The Company has not altered the provisions of Memorandum of Association with respect to the objects of the company during the year under scrutiny.
26. The Company has not altered the provisions of the Memorandum of Association with respect to name of the company during the year under scrutiny.
27. The Company has not altered the provisions of Memorandum of Association with respect to share capital of the company during the year under scrutiny.
28. The Company has not altered the Articles of Association during the financial year.
29. The Company has not received any Show Cause Notice from Company Law Enforcing Authorities during the financial year under review.

Place: Chennai
Date : 15.5.2019

Signature : Sd/
Name of Company Secretary : **T.Murugan**
C.P.No: 4393

Annexure A:-

Registers maintained by the Company

1. Register of Members
2. Register of Directors.
3. Register of Directors' Shareholding
4. Declaration of Interest.
5. Minutes of Board Meetings.
6. Minutes of General Body Meeting.

Annexure B:-

1. Form DIR - 12 Filed on 29/08/2018 - SRN H05120258
2. Form MGT - 14 Filed on 08/09/2018 - SRN H08800930
3. Form AOC - 4 Filed on 22/10/2018 - SRN H22668727
4. Form MGT - 7 Filed on 20/11/2018 - SRN H28677755
5. Form DIR - 12 Filed on 08/10/2018 - SRN H19945294
6. Form DIR - 12 Filed on 05/04/2019 - SRN H49800766

PONRAJ & CO

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the members of Tamil Nadu Urban Infrastructure Trustee Company Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the Financial Statements of **Tamil Nadu Urban Infrastructure Trustee Company Limited** ("the Company"), which comprises the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of the 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 Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and Profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our Audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our Report. We are Independent of the Company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and Auditor's report thereon.

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Board's Report including annexures thereto and management discussion and analysis, but 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 on the other information that we obtained prior to the date of this Auditor's report we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to Report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements.

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a True and Fair view of the Financial Position, Financial Performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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, management is responsible for assessing the Company'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 management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company is also responsible for overseeing the company's financial Reporting process.

Auditor's responsibility for the audit of the financial statements

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 in accordance with Standards on Auditing 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 in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 Company'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 Company 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.

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 where applicable, related safeguards.

Report on other legal and Regulatory requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure 'A' to this Report, a statement on the matters specified in para 3 and 4 of the said Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B';
 - (g) with respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration to the directors during the year and accordingly reporting on compliance with section 197 is not applicable; and
 - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations having an impact on its financial position in its financial;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Ponraj & Co.
Chartered Accountants
FRN – 002672S
Sd/-
(CA.N.Raghuram)
Partner

Place : Chennai
Date : 27.06.2019

PONRAJ & CO

CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditor's Report - 31 March 2019

I In respect of Fixed Assets-

- a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. However, the company does not own any fixed assets on the date of balance sheet.
- b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. However, the company does not own any fixed assets on the date of balance sheet and hence physical verification of assets has not been carried out.
- c. Based on our audit procedures performed for the purpose of reporting true and fair view of the financials statements and according to the information and explanations given by the management, the company does not own any immovable property.
- ii. The Company is a service company and it does not hold inventories. Hence, clause 3 (ii) of the Order is not applicable to the Company.
- iii. There are no companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the Company.
- vii. a. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Service Tax and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
b. According to the information and explanations given to us and the records of the Company examined by us, there are no dues which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. No Managerial remuneration is paid during the current financial year and hence the provisions of section 197 read with schedule 5 of the Companies Act 2013 does not arise.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examinations of the records of the Company, there are no reportable transactions with the related parties and accordingly the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him/her. Accordingly, the provisions of paragraph 3(xv) are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45 – IA of the Reserve Bank of India Act, 1934.

For Ponraj & Co.
Chartered Accountants
FRN – 002672S
Sd/-

(CA.N.Raghuram)
Partner

Place : Chennai
Date : 27.06.2019

Membership Number: 210771

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Paragraph (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal financial controls over financial reporting of **Tamil Nadu Urban Infrastructure Trustee Company Limited** ("Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

In view of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ponraj & Co.
Chartered Accountants
FRN – 002672S
Sd/-
(CA.N.Raghuram)
Partner
Membership Number: 210771

Place : Chennai
Date : 27.06.2019

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

Registered Office: No.19, T.P. Scheme Road, Raja Street Extn., R.A. Puram, Chennai -600028

BALANCE SHEET AS AT 31st MARCH 2019

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
		(₹)	
I. EQUITY AND LIABILITY			
Shareholders' Funds			
a. Share Capital	3	10,07,000	10,07,000
b. Reserves & Surplus	4	1,07,606	99,965
Non-Current Liabilities			
a. Long Term Borrowings		0	0
b. Deferred Tax Liabilities (Net)		0	0
c. Other Long-Term Liabilities		0	0
d. Long Term Provisions		0	0
Current Liabilities			
a. Trade Payables		0	0
i. Due to Micro and Small Enterprises		0	0
ii. Due to Others		0	0
b. Other Current Liabilities	5	29,500	23,600
c. Short Term Provisions		0	0
Total		11,44,106	11,30,565
II. ASSETS			
1. Non-Current Assets			
a. Fixed Assets			
i. Tangible Assets		0	0
ii. Intangible Assets		0	0
iii. Capital work in progress		0	0
b. Non-current Investments		0	0
c. Long-term Loans and Advances		0	0
d. Other Non-current Assets		0	0
2. Current Assets			
a. Current Investments	6	10,00,000	10,00,000
b. Inventories		0	0
c. Trade Receivables		0	0
d. Cash and Bank Balance	7	49,151	97,935
e. Short Term Loans and Advances	8	10,491	0
f. Other Current Assets	9	84,464	32,630
Total		11,44,106	11,30,565
Notes including Significant Accounting Policies	1 to 13		

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date

For Ponraj & Co

Chartered Accountants

Firm Registration No.002672S

Sd/-

CA. N. Raghuram

Partner

Membership No.210771

Place : Chennai

Date : 27.06.2019

For and on behalf of the Board of Directors

Sd/-

Kakarla Usha, IAS

Director

DIN No.07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No.03291250

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

Registered Office: No.19, T.P. Scheme Road, Raja Street Extn., R.A. Puram, Chennai -600028

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019

Particulars	Note No.	For the Year ended 31.03.2019	For the Year ended 31.03.2018
		(₹)	
I. Revenue from Operations	10	0	0
II. Other Income		99,057	90,785
III. Total Revenue (I+II)		99,057	90,785
IV. Expenses	11		
Employee Benefits		0	0
Finance Cost		0	0
Depreciation and amortization Expenses		0	0
Other Expenses		81,832	72,600
Total Expenses		81,832	72,600
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		17,225	18,185
VI. Exceptional Items		0	0
VII. Profit Before Extraordinary Items and Tax (V - VI)		17,225	18,185
VIII. Extraordinary Items 00			
IX. Profit Before Tax (VII - VIII)		17,225	18,185
X. Tax Expense			
1. Current Tax		4,480	4,700
2. Prior Years Tax		5,104	(5,145)
3. Deferred Tax 00			
XI. Profit for the year from continuing operations (IX - X)		7,641	18,630
XII. Earnings Per Share (Basic & Diluted)	11.3	0.08	0.19
Notes including Significant Accounting Policies	1 to 13		

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date

For Ponraj & Co

Chartered Accountants

Firm Registration No.002672S

Sd/-

CA. N. Raghuram

Partner

Membership No.210771

Place : Chennai

Date : 27.06.2019

For and on behalf of the Board of Directors

Sd/-

Kakarla Usha, IAS

Director

DIN No.07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No.03291250

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31st March 2019

Note 1: Corporate Information:

The Company is the Corporate Trustee of Tamil Nadu Urban Development Fund (TNUDF). TNUDF is a trust established under the Indian Trust Act, 1882. TNUDF is engaged in providing financial assistance for the implementation of urban infrastructure projects in Tamil Nadu.

Note 2: Significant Accounting Policies:

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013

(b) Fixed Assets

Fixed Assets are stated at actual cost less accumulated depreciation. Cost comprises of the purchase price and any attributable cost of bringing the assets to working condition for its intended use. However, the company does not own any Fixed Assets as on the balance sheet date.

(c) Depreciation

Depreciation on Fixed Assets is provided on the basis of the Written Down Value method based on the rates arrived at after considering the useful life specifies in Schedule II of the Companies Act, 2013. The company does not own any Fixed Assets as on the balance sheet date and hence depreciation has not been provided in the books of accounts.

(d) Investments

Current Investments are valued at lower of cost or market value. Long term investments are usually carried at cost.

(e) Revenue Recognition

The Company does not generate any income from operations. Hence the Company does not have any policy for recognition of its operational income.

(f) Employee Retirement Benefits

At present, there are no employees in the Company. Hence the Company has not instituted any policy in this regard.

(g) Impairment of Assets:

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of assets is measured in line with the relevant Accounting Standard.

(h) Taxes on Income:

Current Tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognized on timing differences, being the difference between taxable income and the accounting income that originate in one year. Deferred Tax assets and liabilities are computed on the timing differences applying the tax rate and tax laws that have been enacted by the balance sheet date. Deferred tax Assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(i) Provisions, Contingent Liability & Contingent Assets:

Provisions are recognized when there is a present obligation as result of a past event and it is probable that outflows will be required to settle the obligation, which can be reliably estimated.

Contingent liabilities are disclosed after an evaluation of the fact and legal aspects of the matter involved. Contingent assets are neither recognized nor disclosed.

(j) Preliminary Expenses:

Preliminary expenses incurred by the Company are fully written off in the first accounting period.

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 3: Share Capital

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of Shares	In ₹	No. of Shares	In ₹
(a) Authorised Equity shares of ₹ 10 each with voting rights	1,10,000	11,00,000	1,10,000	11,00,000
(b) Issued, Subscribed and Fully paid-up Equity shares of ₹ 10 each with voting rights	1,00,700	10,07,000	1,00,700	10,07,000

(c) Equity Reconciliation

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 st March, 2019			
- Number of shares (Face Value of ₹ 10 each)	1,00,700	0	1,00,700
- Amount (₹)	10,07,000	0	10,07,000
Year ended 31 st March, 2018			
- Number of shares (Face Value of ₹ 10 each)	1,00,700	0	1,00,700
- Amount (₹)	10,07,000	0	10,07,000

(d) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Government of Tamil Nadu	49000	48.66%	49000	48.66%
ICICI Bank Ltd	18986	18.85%	18986	18.85%
IL&FS Financial Services Ltd	17014	16.90%	17014	16.90%
Housing Development Financial Corporation Ltd	15000	14.90%	15000	14.90%

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	(₹)	
Note 4: Reserves and Surplus		
(a) General reserve	0	0
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	99,965	81,335
Add: Profit / (Loss) for the year	7,641	18,630
Total	1,07,606	99,965
Note 5: Other Current Liabilities		
Other payables		
(i) Statutory remittances	0	0
(ii) Contractually reimbursable expenses	29,500	23,600
Total	29,500	23,600
Note 6: Current Investment		
Deposit with Companies	10,00,000	10,00,000
Total	10,00,000	10,00,000

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	(₹)	
Note 7		
(A) Cash and Cash Equivalents		
(a) Cash on hand	0	0
(b) Balances with bank		
(i) In current account	49,151	97,935
(ii) Cash Credit Account	0	0
(iii) Deposit with original maturity of less than 3 months	0	0
Total - A	49,151	97,935
(B) Other bank balances		
(a) Deposit with original maturity for more than 3 months but Less than 12 months	0	0
(b) Unpaid dividend	0	0
(c) Cheques on hand	0	0
Total - B	0	0
Total – (A+B)	49,151	97,935
Note 8: Short-term Loans and Advances		
Others – Unsecured, considered good	10,491	0
Total	10,491	0
Note 9: Other Current Assets		
(a) Accruals		
(i) Interest accrued on deposits	79,560	0
(ii) Interest accrued on investments	0	0
(b) Others		
(i) Advance tax and TDS (net of provisions)	4,904	32,630
Total	84,464	32,630

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	(₹)	
Note 10: Other income		
(a) Interest income		
On Investments (Tax-free)	0	0
On Term Deposits	90,869	90,486
(b) Other non-operating income		
Miscellaneous Income	8,188	299
Total	99,057	90,785
Note 11: Other Expenses		
Administrative expenses	18,000	36,000
Filing Fees	3,600	4,000
Legal and professional	36,632	9,000
Payments to auditors: Statutory Audit Fees	23,600	23,600
Total	81,832	72,600

Note 12: Additional Information to the Financial Statements

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	(₹)	
12.1 Contingent liabilities and commitments (to the extent not provided for)	0	0
12.2 Amount due to MSME Units	0	0
12.3 Earnings per share		
Profit After Tax	7,641	18,630
Number of Equity Shares	1,00,700	1,00,700
Earning Per Share		
Basic	0.08	0.19
Diluted	0.08	0.19

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

12.4 Provision for Deferred Tax: NIL (Previous Year Nil)

12.5 Expenditure/Earnings in foreign currency. The company has no earnings and expenditure in foreign exchange during the year. Previous Year (NIL)

Note 13: Previous year's Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date

For Ponraj & Co

Chartered Accountants

Firm Registration No.002672S

Sd/-

CA. N. Raghuram

Partner

Membership No.210771

Place : Chennai

Date : 27.06.2019

For and on behalf of the Board of Directors

Sd/-

Kakarla Usha, IAS

Director

DIN No.07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No.03291250

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

DIRECTOR'S REPORT

To the Members,

Tamil Nadu Urban Infrastructure Financial Services Limited,

Your Directors have pleasure in submitting their 22nd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2019.

1 FINANCIAL RESULTS

Particulars	Financial Year 2018-19	Financial Year 2017-18
	(Amount Rs. in lakhs)	
Income	1176.96	882.63
Expenses	603.44	523.70
Profit or Loss before Tax	573.52	358.93
Less: Current Tax	163.40	103.97
Prior Year Tax	0.24	(0.16)
Deferred Tax	(13.27)	(8.23)
Profit After Tax	423.15	263.35
Add: Balance as per last Balance Sheet	2773.16	2572.28
Less: Transfer to General Reserve	42.32	26.34
Less: Dividend	30.02	30.02
Less: Tax on Dividend	6.17	6.11
Surplus carried to Balance Sheet	3117.80	2773.16
Net Profit on Income (%)	35.95	29.84
Return on Net Worth (%)	11.68	8.14
Earnings Per Share (%)	42.29	26.32

2 SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as at March 31, 2019 is Rs.100.07 lakhs. During the year under review, the Company has not issued shares nor granted any stock options or sweat equity. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

The Company has complied with the provisions of the Dematerialization of shares based on the notification issued by Ministry of Corporate Affairs dated 10th September 2018.

3 DIVIDEND

Considering the net profit of the Company during the current financial year, it is proposed to declare dividend @ 30% on paid up equity share capital for the financial year ended 31.3.2019. The dividend (₹ 30.02 lakhs) and dividend tax (₹ 6.17 lakhs) absorbs a sum of ₹ 36.19 lakhs.

4 TRANSFER OF UNCLAIMED DIVIDED TO INVESTOR EDUCATION AND PROTECTION FUND

Nil.

5 TRANSFER OF RESERVES

The Company proposes to transfer a sum of Rs. 42.32 lakhs to General Reserve during the financial year ended 31st March 2019.

6 REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS

There was no change in the nature of business of company. Your Directors are optimistic about company's business and hopeful of better performance with increased revenue in the next year.

7 MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

8 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

The provisions of Section 134(3)(m) of the Companies Act, 2013 regarding disclosure of information regarding conservation of energy and technology absorption are not applicable to the Company. However, the Company have installed 30 KW Rooftop Solar Plant in the office building during July 2018. During the financial year 2018-19, 33073 units were generated.

The Company has not earned any foreign exchange during the financial year 2018-19. However, the foreign exchange outgo is Rs. 65,824/-

9 DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

10 CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 read with the with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of the Company has constituted the Corporate Social Responsibility (CSR) Committee and approved the CSR Policy.

As part of CSR initiatives, environmental education for sustainable development programs have been conducted for the benefit school children and teachers. A sum of Rs.3.76 lakhs was utilized on activities specified in Schedule VII of the Companies Act, 2013. A report on CSR activities is attached as Annexure to this Report.

11 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

12 TRANSACTIONS WITH RELATED PARTIES

There were no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

13 AUDITOR'S REPORT AND SECRETARIAL COMPLIANCE REPORT

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report are not applicable to the Company. However, the Company is voluntarily obtaining Secretarial Compliance Report to ensure compliance of secretarial matters under the provisions of the Companies Act, 2013 with related rules, which is attached as Annexure to this Report.

14 DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has constituted an Internal Complaint Committee for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 to redress the complaints received regarding sexual harassment from any employee. The Committee has an external member with majority of the members are women. The Company did not receive any complaint during the financial year 2018-19.

15 POLICY ON DIRECTORS APPOINTMENT, REMUNERATION AND OTHER DETAILS

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

16 EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is furnished as Annexure and form an integral part of this Report.

17 NUMBER OF MEETINGS OF THE BOARD

The Company has conducted four meetings of the Board of Directors during the financial year under review. The details of meetings held during the year and connected information are furnished below:

Sl. No.	Name of Director	No. of Directors on the date of Meeting	No. of Directors attended the meeting
1.	25.06.2018	9	7
2.	27.09.2018	9	5
3.	18.12.2018	10	8
4.	21.03.2019	10	7

The attendance of the Directors is furnished below:

Sl. No.	Name of Director	No. of Board Meetings entitled to attend	No. of Board Meetings attended
1.	Mr. Harmander Singh, IAS	4	4
2.	Mr. Chandrakant B Kamble, IAS	1	-
3.	Mr. D.Karthikeyan, IAS	2	1
4.	Mr. Ashok Dongre, IAS	1	-
5.	Ms. Kakarla Usha, IAS,	4	3
6.	Ms. Pooja Kulkarni, IAS	4	3
7.	Mr. G.Prakash, IAS	4	1
8.	Mr. S.Krishnan, IAS	2	1
9.	Mr. Thallam Sreekumar	4	2
10.	Mr. G.Vetrivel	4	4
11.	Mr. L.Krishnan	4	4
12.	Mr. Mathew Joseph	4	2

18 Directors' Responsibility Statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors state that:

i. in the preparation of Annual Accounts for the financial year ended 31st March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2019 and of the profit and loss of the Company for the financial year ended 31st March, 2019;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors have prepared the annual accounts on a going concern basis;

v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

19 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

20 DEPOSITS FROM PUBLIC

The Company has neither accepted nor renewed any deposits during the year under review.

21 DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2018-19, Mr. D.Karthikeyan, IAS, (in the place of Mr.Chandrakant B Kamble, IAS), Mr.Ashok Dongre, IAS in the place of (Mr. D.Karthikeyan, IAS) and Mr.S.Krishnan, IAS has been appointed as Director(s) of the Company.

As per the Articles of Association, at every Annual General Meeting, one third of the Directors (other than the Chairman, Chief Executive Officer and one ICICI nominee) who have been longest in office since their appointment are liable to retire by rotation. Accordingly, Mr. Mathew Joseph and Mr. L.Krishnan are to retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

22 DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 for appointment of Independent Directors are not applicable the Company.

23 INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Given the nature of business and size of operations, your Company's internal control system has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and Policies.
- Compliance with applicable statutes, policies and management policies and procedures.
- Effective use of resources and safeguarding of assets.

Your Company has engaged the services of a firm of Chartered Accountants to carry out the periodical audit. The observations arising out of audit are periodically reviewed and compliance ensured.

24 STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013, and Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of the Companies Act 2013. In line with the requirements of the Companies Act 2013, the Company in its 20th AGM appointed M/s. Ponraj & Co., Chartered Accountants, Chennai (firm registration number 002672S) as Auditors of the Company for a period of five years to hold office from the conclusion of 20th Annual General Meeting till the conclusion of the 24th Annual General Meeting of the Company (subject to ratification of the appointment by members at every Annual General Meeting) on a remuneration of Rs.80,000/- (plus GST as applicable) per annum.

The requirement for the annual ratification of auditor's appointment at the AGM has been omitted pursuant to Companies (Amendment) Act 2017, notified on May 7, 2018.

There is no audit qualification, reservation or adverse remark for the year under review. During the year, the auditors have confirmed that they satisfy the independence criteria required under Companies Act 2013, code of ethics issued by Institute of Chartered Accountants of India.

25 AUDIT COMMITTEE AND VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 are not applicable to the Company.

26 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material orders have been passed by the Regulators, Courts and Tribunals impacting the going concern status and Company's operations in future.

27 Appreciation

Your Directors wish to place on record their appreciation of the assistance and co-operation extended to the Company by the Government of India, Government of Tamil Nadu, World Bank, Japan Bank for International Cooperation, KfW, ICICI Bank, IL & FS Financial Services Limited, Housing Development Finance Corporation Limited, Banks, Urban Local Bodies, Chennai Metropolitan Water Supply and Sewerage Board, Chennai Rivers Restoration Trust, Internal Auditors and Statutory Auditors. Your Directors have pleasure in recording their appreciation of the dedicated services rendered by the employees at all levels.

By Order of the Board of Directors

Sd/-

Harmander Singh, IAS

Chairman

Place : Chennai – 600 028

Date : 30.08.2019

DIN. 03291250

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)
of the Company (Management & Administration) Rules, 2014.

REGISTRATION & OTHER DETAILS:

- i CIN : U67190TN1996PLC036865
- ii Registration Date : 07.11.1996
- iii Name of the Company : Tamil Nadu Urban Infrastructure Financial Services Limited
- iv Category/Sub-category of the Company : Non Government Company
- v Address of the Registered office & contact details : No.19, T.P.Scheme Road, Raja Street Extension, Raja Annamalaipuram, Chennai 600 028.
044-24643103
- vi Whether listed company : No
- vii Name , Address & contact details of the Registrar & Transfer Agent, if any. : M/s. Integrated Registry Management Services Private Limited, 2nd Floor, "Kences Towers" No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated -

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Other financial service activities, except insurance and pension funding activities	64990	100%
2			

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SL No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1			Nil		
2					
3					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF										
b) Central Govt.or State Govt.		490400	490400	49.01%		490400	490400	49.01%	0	
c) Bodies Corporates										
d) Bank/FI		510300	510300	50.99%		510300	510300	50.99%	0	
e) Any other										
SUB TOTAL:(A) (1)		1000700	1000700	100%		1000700	1000700	100%	0	
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
SUB TOTAL (A) (2)		0	0	0		0	0	0	0	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		1000700	1000700	100%		1000700	1000700	100%	0%	
B. PUBLIC SHAREHOLDING										
(1) Institutions		0	0	0		0	0	0	0	
a) Mutual Funds										
b) Banks/FI										
c) Central govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):		0	0	0		0	0	0	0	
(2) Non Institutions										
a) Bodies corporates										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs										
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs										
c) Others (specify)										
SUB TOTAL (B)(2):		0	0	0		0	0	0	0	
Total Public Shareholding (B)= (B)(1)+(B)(2)		0	0	0		0	0	0		
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)		1000700	1000700	100%	0	1000700	1000700	100%	0	0

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	GOVERNOR OF TAMIL NADU	490000	48.97%	0%	490000	48.97%	0%	0%
2	IL & FS FINANCIAL SERVICES LIMITED	170014	16.99%	0%	170014	16.99%	0%	0%
3	HOUSING DEVELOPMENT FINANCE CORPORATION LTD	150000	14.99%	0%	150000	14.99%	0%	0%
4	ICICI BANK LTD	189986	18.99%	0%	189986	18.99%	0%	0%
5	MR. HARMANDER SINGH, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	0%	100	0.01%	0%	0%
6	MRS. POOJA KULKARNI, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	0%	100	0.01%	0%	0%
7	MR.G. PRAKASH, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	0%	100	0.01%	0%	0%
8	MR. ASHOK DONGRE, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	0%	100	0.01%	0%	0%
9	MR. THALLAM SREEKUMAR, (holding shares as nominee of ICICI Bank Ltd)	100	0.01%	0%	100	0.01%	0%	0%
10	MR.G.VETRIVEL (holding shares as nominee of ICICI Bank Ltd)	100	0.01%	0%	100	0.01%	0%	0%
11	MR.L.KRISHNAN (holding shares as nominee of IL&FS Financial Services Ltd)	100	0.01%	0%	100	0.01%	0%	0%
	Total	1000700	100.00%	0%	1000700	100.00%	0%	0%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

No Change

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares%	% of total shares of the company	No. of Shares%	% of total shares of the company
	At the beginning of the year	1000700	100%	1000700	100%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	1000700	100%	1000700	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares%	% of total shares of the company	No. of Shares%	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	0	0.00%	0	0.00%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	0	0.00%	0	0.00%

(v) Shareholding of Directors & KMP

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares%	% of total shares of the company	No. of Shares%	% of total shares of the company
	For Each of the Directors & KMP				
	At the beginning of the year	700	0.07%	700	0.07%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	700	0.07%	700	0.07%

DIRECTORS SHAREHOLDING

	MR. HARMANDER SINGH, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	100	0.01%
	MRS. POOJA KULKARNI, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	100	0.01%
	MR.ASHOK DONGRE IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	100	0.01%
	MR.G. PRAKASH IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	100	0.01%
	Mr. THALLAM SREEKUMAR, (holding shares as nominee of ICICI Bank Ltd)	100	0.01%	100	0.01%
	Mr.G.VETRIVEL (holding shares as nominee of ICICI Bank Ltd)	100	0.01%	100	0.01%
	MR.L.KRISHNAN (holding shares as nominee of IL&FS Financial Services Ltd)	100	0.01%	100	0.01%
	Total	700	0.07%	700	0.07%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
Additions				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Kakarla Usha, MD			Rs.
1	Gross salary				4512695
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.				
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission as % of profit others (specify)				
5	Others, please specify Sitting Fees				40000
	Total (A)	0		0	4552695
	Ceiling as per the Act	8400000			

B. Remuneration to other directors:

Sl.No	Name of the Directors	Particulars of Remuneration			
1	Independent Directors	0	0	0	
	Total (1)	0	0	0	
2	Other Non Executive Directors	Sitting fees (Rs.)	Commission (Rs.)	Others (Rs.)	Total (Rs.)
	Mr.Harmendar Singh, IAS	55000	0	0	55000
	Mr.S.Krishnan, IAS	15000	0	0	15000
	Ms.Pooja Kulkarni, IAS	55000	0	0	55000
	Mr. G.Prakash, IAS	30000	0	0	30000
	Mr.D.Karthikeyan, IAS	15000	0	0	15000
	Mr.L.Krishnan	55000	0	0	55000
	Mr. Mathew Joseph	25000	0	0	25000
	Mr.G.Vetrivel	55000	0	0	55000
	Mr.Thallam Sreekumar	25000	0	0	25000
	Total (2)	330000	0	0	330000
	Total (B)=(1+2)	330000			330000
	Total Managerial Remuneration (A)+(B)	0	0	0	4882695
	Overall Ceiling as per the Act.	8400000			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No	Particulars of Remuneration	Key Managerial Personnel		
1	Gross Salary	Company Secretary (in Rs.)		Total (in Rs.)
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.000	4979324		4979324
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission as % of profit others, specify			
5	Others, please specify			
	Total	4979324		4979324

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

REPORT ON CSR ACTIVITIES CARRYOUT BY THE COMPANY DURING FINANCIAL YEAR 2018-19

i. Brief outline of the Company's Corporate Social Responsibility (CSR) Policy

The objective CSR policy of the company is to encourage protection of environment for sustainable living and promote inclusive growth. The Company's CSR activities will focus on the sectors and issues relating to the following:

- i. Promotion of education, special education, employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects and
- ii. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air, water.

In addition, the Company will respond to the requirements within the purview of the Schedule VII of the Companies Act, 2013.

ii. Composition of the CSR Committee

The CSR Committee has been reconstituted by Board in its 96th Meeting held on 21.03.2018 comprising of three Directors viz., Mr. Harmander Singh, IAS, Principal Secretary to Government, Mr. Ashok Dongre, IAS, Chairman and Managing Director, TUFIDCO and Mr. Thallam Sreekumar, ICICI Nominee.

iii. Finance & Budget

Section 135 of the Companies Act, 2013 and Rules made under it prescribe that every company having a net worth of Rs.500 crores or more, or turnover of Rs.1000 crores or more, or a net profit of Rs.5.00 crores or more during any financial year, at least 2% of the average net profits made during the three immediate preceding financial year, in pursuance of its policy. The Board of the Company has approved budget of Rs.10.00 lakhs for the financial year 2018-19 for carrying out the CSR activities

iv. CSR Expenditure

As part of the CSR initiatives, environmental education for sustainable development programs for the benefit school children & teachers have been proposed. The environmental education programs have been carried in association with Chennai Rivers Restoration Trust (CRRT). The Company, in association with CRRT, has conducted 25 education programs during the financial year 2018-19, benefiting 2248 students and 114 teachers through these education programs. During the financial year 2018-19, a sum of Rs. 3.76 lakhs have been spent as CSR expenses towards education programs.

The details of the expenditure incurred on CSR activities are furnished below:

Sl. No.	CSR Activity or activity identified	Sector in which the project is covered	Locations	Amount spent on the programs	Amount spent directly or through implementing agency
1	Environmental education programme and environmental programme	Ensuing environmental sustainability, ecological balance protection of flora, fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air, water.	Chennai, Tamil Nadu	Rs.3.76 lakhs	Rs.3.76 lakhs

The implementation and monitoring of CSR programs are in compliance with the CSR objectives and policy of the Company.

By Order of the Board of Directors

Sd/

Harmander Singh, IAS

Chairman

DIN. 03291250

Place : Chennai - 600028

Date : 30.08.2019

T. MURUGAN, B.Sc., ACA, ACS
Practicing Company Secretary

22-E, Sri Subah Colony,
Munuswamy Road, K.K. Nagar,
Chennai – 600 078.
Ph: 24847075, 9381035900
murugantmp@yahoo.co.in

COMPLIANCE CERTIFICATE

CIN: U67190TN1996PLC036865

To

The Members

M/S TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

No. 19, T.P Scheme Road,

Raja Street Extension

Raja Annamalipuram

Chennai - 600028

I have examined the registers, records, books and papers of M/S. TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED (the Company) as required to be maintained under the Companies Act, 2013, (the Act) and the rules made thereafter and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2019. In my opinion and to the best of my information and according to the examinations carried out by me and the explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions of the Companies Act, 2013, and the rules made there under and all entries have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under or otherwise with additional fees for late filing of forms/returns under the Act and the rules made there under.
3. The Company being a Public Limited Company, the provisions of Section 2(68) of Companies Act 2013 are not applicable to this Company.
4. The Board of Directors duly met 4 times on 25-06-2018, 27-09-2018, 18-12-2018 and 21-03-2019 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed resolutions passed in the minutes book maintained for the purpose.
5. The Company has not opted to close its Register of Members during the year under review.
6. The Annual General Meeting for the year ended on 31st March, 2018 was held on 27th September 2018 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
7. No Extraordinary General Meeting(s) was/were held during the financial year under review.
8. The Company has constituted Corporate Social Responsibility Committee during the financial Year under view with a Composition of three Directors and the Committee meeting was held on 15th March 2018.
9. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in Section 185 of the Act.
10. As there were no instances falling within the purview of Section 188 of the Act, the Company has not obtained any approvals from Board of Directors, members, or the Central Government as the case may be.
11. The Company has not issued any Duplicate Share Certificate during the financial year.
12. The Company has:
 - (i) not issued / transferred any shares during the financial year under review.
 - (ii) duly complied with the Declaration and payment of dividend as per section 123 of the Act.
 - (iii) No requirement to transfer any amount to Investor Education and Protection Fund.
 - (iv) duly complied with the requirements of Section 134 of the Act.

13. The Board of Directors of the Company is duly constituted and the appointments of Directors, Additional Directors, Alternate Directors, and Directors to fill casual vacancies have been duly made.
14. There was no appointment of Managing Director / Whole time Director during the financial year under review.
15. The Company has not appointed any sole – selling agents during the financial year.
16. The Company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director, Registrar, or such other authorities as may be prescribed under the various provisions of the Act.
17. The Directors have disclosed their interest in other firms /companies to the Board of Directors pursuant to the provisions of the Act and Rules made there under.
18. The Company has not issued any shares/debentures/other securities during the financial year. The company has complied with the provisions as to the Dematerialization of shares of the company during January 2019.
19. The Company has not bought back shares during the financial year.
20. There was no redemption of any preference shares /debentures during the financial year.
21. There were no transactions necessitating the company to keep in abeyance the rights to dividends, rights shares, and bonus shares pending registration of transfers of shares.
22. The Company has not invited / accepted any deposits including any unsecured loan or advances falling within the purview of Section 73 read with the Companies (Acceptance of Deposit) Rules, 2014.
23. The Company has not made any borrowings during the financial year under review.
24. The Company has not made any inter corporate investments or loans as envisaged under Section 186 of the Act.
25. The Company has not altered the provisions of Memorandum of Association with respect to the situation of the company's registered office from one state to another during the year under scrutiny.
26. The Company has not altered the provisions of Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
28. The Company has not altered the provisions of Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
29. The Company has altered the Articles of Association during the financial year with regard to the composition of the board.
30. The Company has not received any Show Cause Notice from Company Law Enforcing Authorities during the financial year under review.
31. The Company has not received any money as security from its employees during the year.
32. The Company was regular in depositing Provident Fund dues with the relevant Statutory Authorities, but the Company has no PF Trust on its own .

Place: Chennai
Date : 15.5.2019

Signature:Sd/
Name of Company
Secretary: **T.Murugan**
C.P.No: 4393

Annexure A:-

Registers maintained by the Company

1. Register of Members
2. Register of Directors.
3. Register of Directors' Shareholding
4. Declaration of Interest.
5. Minutes of Board Meetings.
6. Minutes of General Body Meeting.

Annexure B:-

1. MGT14 - Filed on 08.09.2018 - SRN No. H08797458
2. MGT14 - Filed on 08.10.2018 - SRN No. H19918705
3. AOC-4 - Filed on 22.10.2018 - SRN No. H22665483
4. MGT-7 - Filed on 20.11.2018 - SRN No. H28676674
5. DIR 12 - Filed on 02.11.2018 - SRN No. H26608794
6. DIR 12 - Filed on 07.01.2019 - SRN No. H41153321

PONRAJ & CO

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the members of Tamil Nadu Urban Infrastructure Financial Services Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the Financial Statements of **Tamil Nadu Urban Infrastructure Financial Services Limited** ("the Company"), which comprises the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of the 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 Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and Profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our Audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our Report. We are Independent of the Company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and Auditor's report thereon

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Board's Report including annexures thereto and management discussion and analysis, but 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 on the other information that we obtained prior to the date of this Auditor's report we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to Report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements.

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a True and Fair view of the Financial Position, Financial Performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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, management is responsible for assessing the Company'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 management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company is also responsible for overseeing the company's financial Reporting process.

Auditor's responsibility for the audit of the financial statements

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 in accordance with Standards on Auditing 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 in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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. Under section 143(3) (If the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls).
- 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 Company'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 Company 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.

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 where applicable, related safeguards.

Report on other legal and Regulatory requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure 'A' to this Report, a statement on the matters specified in para 3 and 4 of the said Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B';
 - (g) with respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration to the directors during the year and accordingly reporting on compliance with section 197 is not applicable; and
 - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations having an impact on its financial position in its financial;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Ponraj & Co.
Chartered Accountants
FRN – 002672S
Sd/-
(CA.N.Raghuram)
Partner

Place: Chennai
Date : 27.06.2019

Annexure A to the Independent Auditor's Report - 31 March 2019

i. In respect of Fixed Assets-

- a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. Based on our audit procedures performed for the purpose of reporting true and fair view of the financials statements and according to the information and explanations given by the management, the company does not own any immovable property.

ii. The Company is a service company and it does not hold inventories. Hence, clause 3 (ii) of the Order is not applicable to the Company.

iii. There are no companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. a. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the Company.

- b. According to the information and explanations given to us and the records of the Company examined by us, there are no dues which have not been deposited on account of any dispute.

vii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

- viii. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- ix. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- x. According to the records of the Company examined by us, and information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xi. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xii. According to the information and explanations given to us and based on our examinations of the records of the Company, there are no reportable transactions with the related parties and accordingly the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiii. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him/her. Accordingly, the provisions of paragraph 3(xv) are not applicable to the Company.
- xv. The Company is not required to be registered under section 45 – IA of the Reserve Bank of India Act, 1934.

For PONRAJ & CO.,
Chartered Accountants
FRN – 002672S
Sd/-

(CA.N.RAGHURAM)

Partner

Membership Number: 210771

Place : Chennai

Date : 27.06.2019

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Paragraph (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal financial controls over financial reporting of **Tamil Nadu Urban Infrastructure Financial Services Limited** ("Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

In view of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PONRAJ & CO.,

Chartered Accountants

FRN – 002672S

Sd/-

(CA.N.RAGHURAM)

Partner

Membership Number: 210771

Place : Chennai

Date : 27.06.2019

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

Registered Office: No.19, T.P. Scheme Road, Raja Street Extn., R.A. Puram, Chennai -600028

BALANCE SHEET AS AT 31st MARCH 2019

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
		(₹)	
I. EQUITY AND LIABILITY			
Shareholders' Funds			
a. Share Capital	3	1,00,07,000	1,00,07,000
b. Reserves & Surplus	4	35,23,63,744	31,36,67,804
Non-Current Liabilities			
a. Long Term Borrowings		0	0
b. Deferred Tax Liabilities		0	0
c. Other Long-Term Liabilities		0	0
d. Long Term Provisions	5	1,41,22,856	1,02,81,070
Current Liabilities			
a. Trade Payables			
i. Due to Micro and Small Enterprises		0	0
ii. Due to Others		0	0
b. Other Current Liabilities	6	87,80,204	82,63,295
c. Short Term Provisions	7	5,65,540	4,38,119
Total		38,58,39,344	34,26,57,288
II. ASSETS			
1. Non-Current Assets			
a. Fixed Assets			
i. Tangible Assets	8	52,75,462	40,03,064
ii. Intangible Assets		0	0
iii. Capital work in progress		0	16,28,853
b. Non-current Investments	9	6,27,60,000	6,91,40,000
c. Deferred Tax Asset	19.7	55,56,761	42,30,007
d. Long-term Loans and Advances		0	0
e. Other Non-current Assets		0	0
2. Current Assets			
a. Current Investments	10	28,47,10,664	21,15,66,593
b. Inventories		0	0
c. Trade Receivables	11	27,000	27,000
d. Cash and Bank Balance	12	56,11,302	1,69,56,834
e. Short Term Loans and Advances	13	7,58,953	8,04,571
f. Other Current Assets	14	2,11,39,202	3,43,00,366
Total		38,58,39,344	34,26,57,288
Notes including Significant Accounting Policies	1 to 21		

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date

For Ponraj & Co.

Chartered Accountants

Firm Reg. No. 002672S

Sd/-

CA. N. Raghuram

Partner

Membership No. 210771

Place : Chennai

Date : 27.06.2019

For and on behalf of the Board of Directors

Sd/-

Kakarla Usha, IAS

Managing Director

DIN No.07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No.03291250

A.Jayaraman

Senior Vice President & Company Secretary

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

Registered Office: No.19, T.P. Scheme Road, Raja Street Extn., R.A. Puram, Chennai -600028

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019

Particulars	Note No.	For the Year ended 31.03.2019	For the Year ended 31.03.2018
		(₹)	
I. Revenue from Operations	15	8,90,62,990	6,07,49,632
II. Other Income	16	2,86,33,379	2,75,13,782
III. Total Revenue (I+II)		11,76,96,369	8,82,63,414
IV. Expenses			
Employee Benefits	17	4,46,94,232	3,79,44,242
Finance Cost		0	0
Depreciation and amortization Expenses	8	32,71,093	25,47,934
Other Expenses	18	1,23,78,662	1,18,78,338
Total Expenses		6,03,43,987	5,23,70,514
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		5,73,52,382	3,58,92,900
VI. Exceptional Items		0	0
VII. Profit Before Extraordinary Items and Tax (V - VI)		5,73,52,382	3,58,92,900
VIII. Extraordinary Items		0	0
IX. Profit Before Tax (VII - VIII)		5,73,52,382	3,58,92,900
X. Tax Expense			
1. Current Tax		1,63,40,000	1,03,97,000
2. Prior Years Tax		24,005	(15,722)
3. Deferred Tax		(13,26,754)	(8,23,317)
XI. Profit for the year from continuing operations (IX - X)		4,23,15,131	2,63,34,939
XII. Earnings Per Share (Basic & Diluted)	19.6	42.29	26.32
Notes including Significant Accounting Policies	1 to 21		

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date

For Ponraj & Co.

Chartered Accountants

Firm Reg. No. 002672S

Sd/-

CA. N. Raghuram

Partner

Membership No. 210771

For and on behalf of the Board of Directors

Sd/-

Kakarla Usha, IAS

Managing Director

DIN No.07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No.03291250

Sd/-

A.Jayaraman

Senior Vice President & Company Secretary

Place : Chennai

Date : 27.06.2019

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

Registered Office: No.19, T.P. Scheme Road, Raja Street Extn., R.A. Puram, Chennai -600028

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

	Particulars	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
		(₹)	
A.	Cash flow From Operating Activities		
	Profit before Tax	5,73,52,382	3,58,92,900
	Add: Depreciation	32,71,093	25,47,934
	Loss / (Profit) on sale of Fixed Assets	(2,43,641)	(14,073)
	Less: Interest Received	(2,83,55,097)	(2,74,97,349)
	Decrease/(Increase) in Deferred Tax Assets	(13,26,754)	(8,23,317)
	Add: Provision for Earned Leave	39,69,207	21,81,107
	Operating Profit before Working Capital Changes	3,46,67,190	1,22,87,202
	Adjustments for		
	Add: Increase in Current Liabilities and Decrease in Current Assets	5,16,909	17,28,456
	Less: Increase in Current Assets and Decrease in Current Liabilities	1,32,06,782	(39,90,748)
	Cash Generated from Operations	4,83,90,881	1,00,24,910
	Less: Income Tax paid	(1,50,37,251)	(95,57,961)
	Net Cash from Operating Activities (A)	3,33,53,630	4,66,949
B.	Cash flow from Investing Activities		
	Interest Received	2,83,55,097	2,74,97,349
	Sale of Assets	2,68,305	21,660
	Purchase of Assets	(29,39,302)	(49,64,338)
	Less: Increase in Deposits and Loans & Advances	(6,67,64,071)	(4,49,06,155)
	Net Cash From Investing Activities (B)	(4,10,79,971)	(2,23,51,484)
C.	Cash Flow from Financing Activities		
	Dividend & Dividend Tax Paid	(36,19,191)	(36,13,257)
	Net Cash from Financing Activities (C)	(36,19,191)	(36,13,257)
D.	Net Increase in Cash and Cash Equivalents (A+B+C)	(1,13,45,532)	(2,54,97,792)
	Cash and Cash equivalents at the beginning of the Accounting period	1,69,56,834	4,24,54,626
	Cash and Cash equivalent at the end of the Accounting period	56,11,302	1,69,56,834
	Notes including Significant Accounting Policies 1 to 21		

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date

For Ponraj & Co.

Chartered Accountants

Firm Reg. No. 002672S

Sd/-

CA. N. Raghuram

Partner

Membership No. 210771

For and on behalf of the Board of Directors

Sd/-

Kakarla Usha, IAS

Managing Director

DIN No.07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No.03291250

Sd/-

A.Jayaraman

Senior Vice President & Company Secretary

Place : Chennai

Date : 27.06.2019

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31st March 2019

Note 1: Corporate Information:

The Company has been providing fund and other management services to Tamil Nadu Urban Development Fund, Water and Sanitation Pooled Fund and various Government Grant Funds. The services include project development, project appraisal, project scheduling, resource mobilization, financial advisory, supervision and recovery management etc.

Note 2: Significant Accounting Policies:

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013

(b) Fixed Assets

Fixed Assets are stated at actual cost less accumulated depreciation. Cost comprises of the purchase price and any attributable cost of bringing the assets to working condition for its intended use. However, the company does not own any Fixed Assets as on the balance sheet date.

(c) Depreciation

Depreciation on Fixed Assets is provided on the basis of the Written Down Value method based on the rates arrived at after considering the useful life specifies in Schedule II of the Companies Act, 2013.

(d) Investments

Current Investments are valued at lower of cost or market value. Long term investments are usually carried at cost.

(e) Management and Other Fees

Management and other Fees are recognized as per contractual obligations on project basis with institutions whose funds are being monitored by the company.

(f) Employee Retirement Benefits

Defined Contribution Plans:

Contributions to Employees Provident Fund are deposited with the Employees' Provident Fund Organization and the Company's contribution to the Fund is charged to Profit and Loss Account each year.

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31st March 2019

Defined Benefit Plans:

The Company has covered its Gratuity and Superannuation liabilities with the Life Insurance Corporation of India (LIC) and the premium paid to LIC is charged to Profit and Loss Account. The premium amount in the case of Gratuity is determined on the basis of the actuarial valuation done by independent valuer as per AS15 (Revised).

Other Long-Term Employee Benefits:

The liability on account of Leave Encashment by the employees is provided for based on actuarial valuation done each year.

(g) Impairment of Assets:

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of assets is measured in line with the relevant Accounting Standard.

(h) Taxes on Income:

Current Tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognized on timing differences, being the difference between taxable income and the accounting income that originate in one year. Deferred Tax assets and liabilities are computed on the timing differences applying the tax rate and tax laws that have been enacted by the balance sheet date. Deferred tax Assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(i) Provisions, Contingent Liability & Contingent Assets:

Provisions are recognized when there is a present obligation as result of a past event and it is probable that outflows will be required to settle the obligation, which can be reliably estimated.

Contingent liabilities are disclosed after an evaluation of the fact and legal aspects of the matter involved. Contingent assets are neither recognized nor disclosed.

(j) Preliminary Expenses:

Preliminary expenses incurred by the company are fully written off in the first accounting period.

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of Shares	In ₹	No. of Shares	In ₹
(a) Authorised Equity shares of ₹10 each with voting rights	20,00,000	2,00,00,000	20,00,000	2,00,00,000
(b) Issued, Subscribed and Fully paid-up Equity shares of ₹10 each with voting rights	10,00,700	1,00,07,000	10,00,700	1,00,07,000

(c) Equity Reconciliation

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 st March, 2019			
- Number of shares (Face Value of ₹10 each)	10,00,700	0	10,00,700
- Amount (₹)	1,00,07,000	0	1,00,07,000
Year ended 31 st March, 2018			
- Number of shares (Face Value of ₹10 each)	10,00,700	0	10,00,700
- Amount (₹)	1,00,07,000	0	1,00,07,000

(d) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31 st March, 2019		As at 31 st March, 2018	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Equity shares with voting rights				
Government of Tamil Nadu	490000	48.97%	490000	48.97%
ICICI Bank Ltd	189986	18.99%	189986	18.99%
IL&FS Financial Services Ltd	170014	16.99%	170014	16.99%
Housing Development Financial Corporation Ltd	150000	14.99%	150000	14.99%

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	(₹)	(₹)
Note 4: Reserves and Surplus		
(a) General reserve		
Opening balance	3,63,51,667	3,37,17,667
Add: Transferred from surplus in Statement of Profit and Loss	42,32,000	26,34,000
Closing balance (a)	4,05,83,667	3,63,51,667
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	27,73,16,137	25,72,28,455
Add: Profit / (Loss) for the year	4,23,15,131	2,63,34,939
	31,96,31,268	28,35,63,394
Less:		
Dividends proposed to be distributed to Equity Shareholders (₹3 per share)	30,02,100	30,02,100
Tax on dividend	6,17,091	6,11,157
Transferred to General reserve	42,32,000	26,34,000
Closing balance (b)	31,17,80,077	27,73,16,137
Total (a + b)	35,23,63,744	31,36,67,804
Note 5: Long Term Provisions		
Provision for employee benefits:		
Provision for earned leave	1,17,92,737	1,02,81,070
Provision for gratuity	23,30,119	0
Total	1,41,22,856	1,02,81,070
Note 6: Other Current Liabilities		
Other payables		
(i) Statutory remittances	20,71,077	23,24,022
(ii) Contractually reimbursable expenses	65,84,120	57,48,016
(iii) Others	1,25,007	1,91,257
Total	87,80,204	82,63,295
Note 7: Short-term Provisions		
(a) Provision for employee benefits		
(i) Provision for earned leave	5,65,540	4,38,119
(ii) Others	0	0
(b) Provision - Others:		
(i) Provision for income tax (Net off prepaid taxes)	0	0
(ii) Provision for proposed equity dividend	0	0
(iii) Provision for tax on proposed dividend	0	0
(iv) Provision - others	0	0
Total	5,65,540	4,38,119

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2019

Note 8 (a) : Fixed Assets - Current financial year 2018-19

Tangible Assets	Computer & Software's	Office Equipment	Furniture & Fixtures	Vehicles	Solar Energy System	Total
Gross Block						
Gross Block as at 01.04.2018	34,83,918	42,87,666	37,24,118	52,99,420	0	1,67,95,122
Additions during the year	4,27,075	1,86,349	0	21,12,318	18,42,413	45,68,155
Deductions during the year	4,94,935	4,45,671	0	5,80,462	0	15,21,068
Gross Block as at 31.03.2019	34,16,058	40,28,344	37,24,118	68,31,276	18,42,413	1,98,42,209
Depreciation						
Accumulated depreciation as at 01.04.2018	28,49,546	31,28,124	29,95,420	38,18,968	0	1,27,92,058
Depreciation for the year	5,44,159	6,97,386	2,62,703	14,50,352	3,16,493	32,71,093
Less: Depreciation on assets sold or written off during the year	4,86,906	4,34,841	0	5,74,657	0	14,96,404
Accumulated depreciation as at 31.03.2019	29,06,799	33,90,669	32,58,123	46,94,663	3,16,493	1,45,66,747
Net Block						
Net block as at 31.03.2019	5,09,259	6,37,675	4,65,995	21,36,613	15,25,920	52,75,462

Note 8 (b) : Fixed Assets - Previous financial year 2017-18

Tangible Assets	Computer & Software's	Office Equipment	Furniture & Fixtures	Vehicles	Total
Gross Block					
Gross Block as at 01.04.2017	34,59,631	33,17,179	37,24,118	37,21,236	1,42,22,164
Additions during the year	6,22,989	11,34,312	0	15,78,184	33,35,485
Deductions during the year	5,98,702	1,63,825	0	0	7,62,527
Gross Block as at 31.03.2018	34,83,918	42,87,666	37,24,118	52,99,420	1,67,95,122
Depreciation					
Accumulated depreciation as at 01.04.2017	28,93,521	26,26,059	25,63,854	29,15,630	1,09,99,064
Depreciation for the year	5,48,778	6,64,252	4,31,566	9,03,338	25,47,934
Less: Depreciation on assets sold or written off during the year	5,92,753	1,62,187	0	0	7,54,940
Accumulated depreciation as at 31.03.2018	28,49,546	31,28,124	29,95,420	38,18,968	1,27,92,058
Net Block					
Net block as at 31.03.2018	6,34,372	11,59,542	7,28,698	14,80,452	40,03,064

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2019

(in ₹)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	Unquoted	
	(₹)	
Note 9: Non-current Investments		
Investments (At cost):		
A. Trade		
B. Other investments (Long Term)		
Investment in Debentures or Bonds of Other entities		
7.50% -10 years Unsecured Redeemable non convertible tax-free pooled finance development bonds of ₹ 60,000 (Previous year ₹ 80,000) each issued under the pooled finance development fund scheme of Government of India by Water and Sanitation Pooled Fund (319 numbers)	1,27,60,000	1,91,40,000
8.25% - 12-year Unsecured Redeemable Non- Convertible taxable pooled bonds of Rs.10,00,000/- each by Water and Sanitation Pooled Fund (50 numbers)	5,00,00,000	5,00,00,000
Total	6,27,60,000	6,91,40,000
Note 10: Current Investments		
Deposit with companies	28,47,10,664	21,15,66,593
Total	28,47,10,664	21,15,66,593
Note 11: Trade Receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	27,000	27,000
Other Trade receivables Unsecured, considered good	0	0
Total	27,000	27,000
Note 12: Cash and Bank Balances		
A) Cash and Cash Equivalents		
a) Cash on hand		
b) Balance with Bank		
(i) Current Account	56,11,302	89,56,834
(ii) Cash Credit Account	0	0
(iii) Deposit with original maturity of less than 3 months	0	80,00,000
c) Cheques on hand		
Total (a)	56,11,302	1,69,56,834
(B) Other bank balances		
a) Term deposit with original maturity for more than 3 months but less than 12 months		
(b) Unpaid dividend		
(c) Term Deposits held as margin money against bank guarantee and other commitments		
Total (b)	0	0
Total (a+b)	56,11,302	1,69,56,834

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
	(₹)	
Note 13: Short-term Loans and Adva		
(a) Loans and advances to related parties	0	0
(b) Security deposits - 'Unsecured, considered good Telephone Deposit	16,750	16,750
(c) Loans and advances to employees - 'Unsecured, considered good' Festival Advance	2,96,000	2,86,600
Travelling and other advances	4,600	1,20,720
(d) Prepaid expenses – 'Unsecured, considered good'	4,31,111	3,80,501
(e) Others - 'Unsecured, considered good'	10,492	0
Total	7,58,953	8,04,571
Note 14: Other Current Assets		
(a) Accruals		
(i) Interest accrued on deposits	1,19,51,196	2,30,04,882
(ii) Interest accrued on investments	41,40,008	44,07,444
(b) Others		
Advance tax and TDS (net of provisions)	50,47,998	68,88,040
Total	2,11,39,202	3,43,00,366

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
	(₹)	
Note 15: Revenue from Operations		
Sale of Services - Revenue from Operations		
Appraisal fees	5,86,29,093	3,40,11,357
Supervision & recovery fees	3,02,55,020	2,52,31,061
Treasury Management Fees	1,03,877	1,07,214
Professional fees	75,000	14,00,000
GST collected	1,61,40,342	1,04,84,696
	10,52,03,332	7,12,34,328
Less: GST paid	1,61,40,342	1,04,84,696
Total	8,90,62,990	6,07,49,632

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	(₹)	
Note 16: Other Income		
(a) Interest Income		
On Investments (Tax-free)	11,68,064	16,46,565
On Investments (Taxable)	41,25,000	36,27,740
On Term Deposits	2,30,62,033	2,22,23,044
(b) Other non-operating income		
Profit on sale of Fixed Assets	2,43,641	14,073
Miscellaneous Income	34,641	2,360
Total	2,86,33,379	2,75,13,782
Note 17: Employee Benefits		
Salaries and wages	3,69,73,628	3,17,10,362
Contributions to provident and other funds	76,35,280	53,19,008
Staff welfare expenses	85,324	9,14,872
Total	4,46,94,232	3,79,44,242
Note 18: Other Expenses		
Rent	30,95,550	29,47,950
Electricity	4,32,397	7,14,712
Repairs and maintenance - Others	2,37,513	1,54,470
Insurance	3,69,633	2,86,472
Rates and taxes	24,219	24,382
Communication	6,00,313	6,11,585
Travelling and conveyance	38,80,657	32,68,637
Printing and stationery	2,58,957	3,78,529
Legal and professional charges	1,11,833	85,055
Payments to auditors - Audit fees	80,000	80,000
- Tax audit fees	20,000	20,000
Office Expenses	19,25,837	17,91,712
Directors sitting fees	3,70,000	1,30,000
Security Charges	2,62,300	2,28,598
Miscellaneous expenses	3,33,455	3,12,274
CSR Expenses	3,75,998	8,43,962
Total	1,23,78,662	1,18,78,338

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

Note 19: Additional information to the financial statements

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	(₹)	
19.1 Contingent liabilities and commitments (to the extent not provided for)	0	0
19.2 Amount due to MSME Units	0	0

Employee benefit plans

19.3: Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. The contribution to the fund is charged to Profit and Loss Account.

19.4: Defined benefit plans

The Company offers Gratuity, Leave Encashment and Superannuation to its employees.

19.5: The following table sets out the funded status of the defined benefit schemes and the amount recognized in the financial statements:

The Company has defined benefit scheme in the form of gratuity to employees. Contribution to gratuity is made to Life Insurance Corporation of India (LIC) through the Gratuity Fund. The contribution to gratuity fund is based on the present value of obligation as determined by Actual Valuation Disclosure as per AS 15, 2005(Revised). The disclosure under AS -15 (Revised) in this regard is given hereunder:

Changes in present value of obligations (₹) in lakhs

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Present Value of Obligations – opening balance	73.39	55.50
Interest Cost	5.87	4.44
Current Service Cost	7.68	4.87
Benefits paid	0	0
Actuarial (gain)/loss on obligations	31.12	8.58
Present Value of Obligations – closing balance	118.06	73.39

Changes in fair value of plan assets (₹) in lakhs

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Fair Value of plan assets – opening balance	81.09	62.72
Expected return on plan assets	6.81	5.26
Contributions	8.08	13.11
Benefits Paid	0	0
Actuarial (gain)/loss on plan assets	(1.22)	Nil
Fair value of plan assets – closing balance	94.76	81.09

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

Reconciliation of present value of obligation and fair value of plan assets

(₹) in lakhs

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Present Value of Obligations as at the end of the year	118.06	73.39
Fair value of plan assets at the end of the year	94.76	81.10
Liability recognized in the Balance Sheet	23.30	7.71

Principal Assumptions used in determining post-employment benefit

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Discount Rate	7.62%	8.00%
Salary Escalation	11.00%	7.00%

Investment details of plan assets

Gratuity liability as on 31.03.2019 is Rs.118.06 lakhs. Of which Rs.94.76 lakhs are lying in the Gratuity fund administered through Life Insurance Corporation of India under its Group Gratuity Scheme and the balance liability of Rs.23.30 lakhs is recognized in the books of accounts of the company.

19.6: Earnings Per Share

(₹) in lakhs

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	(₹)	
Profit After Tax	4,23,15,131	2,63,34,939
Number of Equity Shares	1000700	1000700
Earning Per Share		
Basic	42.29	26.32
Diluted	42.29	26.32

19.7: Deferred Tax

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	(₹)	
Deferred tax arising out of -		
(i) Depreciation	21,18,688	12,76,602
(ii) Employee Benefits	34,38,073	29,53,405
	55,56,761	42,30,007

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	(₹)	
19.8 Expenditure in foreign currency	65,824	0
19.9 Earnings in foreign currency	0	0

20: Proposed Dividend

The Board of Directors has recommended a dividend of ₹ 3/- per share (30% on paid-up equity share capital) for the year ended 31st March 2019 (previous year ₹ 3/- per share - 30% on paid-up equity share capital), subject to the approval of the shareholders at the ensuing Annual General Meeting. In accordance with revised "Accounting Standards (AS) 4 - Contingencies and Events Occurring After the Balance Sheet Date notified by the Ministry of Corporate Affairs (MCA) Notification No.216 dated 30.03.2016, the proposed dividend including corporate dividend tax amounting to ₹ 36.19 lakhs has not been shown as an appropriation from statement of profit & loss as of March 31, 2019 and consequently not reported the same under Other Liabilities and Provisions as of March 31, 2019.

Note 21: Previous year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For Ponraj & Co.

Chartered Accountants
Firm Reg. No. 002672S

For and on behalf of the Board of Directors

Sd/-

CA. N. Raghuram
Partner
Membership No. 210771

Sd/-

Kakarla Usha, IAS
Managing Director
DIN No.07283218

Sd/-

Harmander Singh, IAS
Chairman
DIN No.03291250

Sd/-

Place : Chennai
Date : 27.06.2019

A.Jayaraman
Senior Vice President & Company Secretary

WATER AND SANITATION POOLED FUND

Activity Report for the financial year 2018-19

1. Background

Water and Sanitation Pooled Fund (WSPF), a Trust for which the settler is Government of Tamil Nadu has been created in the year 2002 to mobilize resources from the capital market on pooled finance framework and to finance urban infrastructure projects. This Fund has been functioning on no-profit no-loss basis. This is the first entity in the country to mobilize resources on the pooled finance framework.

2. Objectives of WSPF

The objectives of WSPF are:

- Mobilize resources for urban infrastructure projects under pooled finance framework,
- Provide financial assistance for implementation of urban infrastructure projects,
- Enable Urban Local Bodies to access debt finance from the Capital market and
- Act as Nodal Agency on behalf of Central and / or State Government for water, sanitation and / or any other infrastructure projects.

3. Management of WSPF

WSPF is managed by Board of Trustees, headed by Principal Secretary to the Government, MA & WS Department. The Board of Trustees comprises of officials of Government of Tamil Nadu as detailed below:

Principal Secretary to the Government, MA & WS Department	Chairman
Special Secretary to the Government, Finance Department	Trustee
Additional Chief Secretary to the Government, Planning & Development Department	Trustee
Principal Secretary to the Government, Housing & Urban Development Department	Trustee
Managing Director, TNUIFSL	Member – Secretary

The Board of Trustees of the Fund prescribes policies and procedures for the operation of the Fund. WSPF is functionally operated by the Fund Manager viz., Tamil Nadu Urban Infrastructure Financial Services Limited.

4. Resource mobilization

I Bond Issues under Pooled Finance framework

A sum of Rs. 302.30 crs has been raised by issue of bonds under pooled bond framework as detailed below:

1	Amount mobilized (Rs. in crs)	30.41	6.70	83.19	51.00	51.00	80.00
2	Coupon rate	9.20% Taxable	7.25% Tax-free	7.50% Tax-free	10.60% Taxable	8.71% Taxable	8.25% Taxable
3	Rating	AAA(SO)	AA(SO)	AA(SO)	AA(SO)	AA(SO)	AA(SO)
4	Tenor	15 years	10 years	10 years	10 years	10 years	12 years
5	No. of beneficiary ULBs	13	7	7	10	10	5
6	BSF / CREF / Cash Collateral (Rs. in crs)	6.90	1.50	18.50	19.00		14.50
7	Month and Year of Mobilization	December 2002	April 2008	September 2010	August 2012	May 2013	May 2017
8	Bond Balance as on 31.03.2019 (Rs. in crs)	0	0	28.92	40.80	51.00	80.00

Of the above, the bond mobilized during the year 2002 & 2008 (1st and 2nd bond issues) has been fully redeemed. Out of the total bond issue of Rs.302.30 crores, a sum of Rs.101.58 crores has been redeemed and the outstanding bond balance as on 31st March 2019 is Rs.200.72 crores.

ii. National River Conservation Project (NRCP)

The Government has nominated the WSPF as the nodal agency for arranging funds (towards State Government's Contribution) for implementation of the Under-Ground Sewerage Projects under NRCP in the year 2003. Accordingly, a sum of Rs. 93.99 crores has been borrowed by WSPF from Tamil Nadu Urban Development Fund towards State Government's share of contribution under NRCP and the same has been provided for implementation of the schemes. The loan balance as on 31st March 2019 is Rs. 7.63 crores (the balance as on 31st March 2018 is Rs.12.12 crores). The debt service of loans borrowed by WSPF is provided by Government of Tamil Nadu through budgetary allocation, every year.

iii. National Lake Conservation Project (NLCP)

The Government nominated the WSPF as the nodal agency for arranging funds (towards State Government's Contribution) for implementation of the Kodaikanal Lake Conservation Project implemented under NLCP in the year 2004. Accordingly, a sum of Rs. 1.73 crores has been borrowed by WSPF from Tamil Nadu Urban Development Fund towards State Government's share of contribution under NLCP and the same has been provided for implementation of the schemes. The entire loan has been recovered and the loan balance as on 31.03.2019 is Nil (the balance as on 31st March 2018 is Rs.0.40 crores).

iv. Loan availed from HUDCO

The Government vide G.O. (Ms) No.58, MA & WS (WS1) Department, dated 16.05.2014 issued orders to avail loan of Rs.300 crs from HUDCO with Government Guarantee for on lending the same to the 12 beneficiary ULBs for implementation of Vellore Combined Water Supply Improvement Scheme. Accordingly, the entire loan amount of Rs.300.00 crores has been availed from HUDCO and disbursed to 12 beneficiary ULBs. The loan balance as on 31st March 2019 is Rs.254.13 crores (the balance as on 31st March 2018 is Rs.270.81 crores). The debt service of loans borrowed by WSPF is provided by Government of Tamil Nadu through budgetary allocation, every year.

5. Accounts and Audit

The Accounts for the financial year 2018-19 have been audited by M/s. N. Raja & Associates., Chartered Accountants, Chennai.

6. Acknowledgment

The Board of Trustees wish to place on record their appreciation of the assistance and co-operation extended to the Trust by Government of India, Government of Tamil Nadu, Commissioner of Municipal Administration, KfW, subscribers to the Bond Issues, Bankers, Arrangers, Underwriters, Credit Rating Agencies, Urban Local Bodies and Statutory Auditors.

N. RAJA & ASSOCIATES

CHARTERED ACCOUNTANTS

Flat No.8, 1st floor, A block, "Veekay Manor" Gopalakrishna Road, T.Nagar, Chennai 600017.

E-mail: nracas87@gmail.com

TEL: 28150485, 28155414

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF WATER AND SANITATION POOLED FUND

Opinion

We have audited the financial statements of **Water Sanitation Pooled Fund** (the entity), the trust managed by Government of Tamil Nadu, which comprise the Balance Sheet as at 31st March 2019, and the Income and Expenditure Account and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31st March 2019, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management (Fund Manager) is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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, management is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 in accordance with SAs 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.

For **N.Raja & Associates**,
Chartered Accountants
Firm No.003388S
Sd/-

(N. Raja)
Partner

Place: Chennai
Date: 27-06-2019

Membership No.022890

WATER AND SANITATION POOLED FUND
(Trust of Government of Tamil Nadu)

BALANCE SHEET AS AT 31.03.2019

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
		(₹)	
SOURCES OF FUNDS			
1 Capital Fund			
a. Contribution by Settlor		10,000	10,000
2 Other Funds			
a. Government Grant Account	1	158,17,43,960	147,56,98,558
b. Loans Borrowed	2	573,58,81,504	621,16,11,957
3 Current Liabilities	3	22,17,32,992	21,60,20,549
TOTAL		753,93,68,456	790,33,41,064
APPLICATION OF FUNDS			
4 Loans Disbursed	4	532,82,99,139	578,65,18,434
5 Current Assets	5	221,10,69,317	211,68,22,630
TOTAL		753,93,68,456	790,33,41,064
Notes including Significant Accounting Policies	1 to 11		

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date attached

For N. Raja & Associates

Chartered Accountants
Firm Reg. No.003388S

For Water and Sanitation Pooled Fund

Sd/-
N. Raja
Partner
Membership No.022890

Sd/-
Kakarla Usha, IAS
Member Secretary

Sd/-
Harmander Singh, IAS
Chairman

Place : Chennai
Date : 27.06.2019

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2019

Particulars	Note No.	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
		(₹)	
INCOME			
1 Interest on Loans Disbursed	6	47,58,33,755	50,68,89,704
2 Other Income	7	1,22,39,601	1,23,10,836
TOTAL		48,80,73,356	51,92,00,540
EXPENDITURE			
3 Interest on Loans Borrowed	8	47,58,33,755	50,68,89,704
4 Other Expenses	9	1,22,39,601	1,23,10,836
TOTAL		48,80,73,356	51,92,00,540
5 Excess of Income over Expenditure		0	0
6 Excess of Income over Expenditure brought forward from the previous year		0	0
7. Balance in the Income over expenditure carried forwards to Balance Sheet		0	0
Notes including Significant Accounting Policies 10 to 12			

The Notes referred to above form an integral part of the Financial Statements

For N. Raja & Associates

Chartered Accountants
Firm Reg. No.003388S

For Water and Sanitation Pooled Fund

Sd/-
N. Raja
Partner
Membership No.022890

Sd/-
Kakarla Usha, IAS
Member Secretary

Sd/-
Harmander Singh, IAS
Chairman

Place : Chennai
Date : 27.06.2019

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2019

Particulars	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
	(₹)	
Opening balances:		
- Cash on hand	0	0
- Balance in Savings Bank Accounts with Banks	13,66,01,408	56,97,083
- Balance in Public Deposit Accounts with Banks	7,26,03,500	43,20,00,000
- Balance in Term Deposit Accounts with Banks	106,11,30,036	110,24,13,123
Total (A)	127,03,34,944	154,01,10,206
Receipts:		
Loan Installments Received - Principal	24,38,08,842	20,19,00,939
Loan Installments Received - Interest	17,70,41,871	19,87,31,000
Grant from Government of Tamil Nadu	44,20,08,773	21,47,89,669
Interest on deposits	11,01,72,697	20,20,67,241
Deposit matured with Financial Institutions	0	15,51,10,269
Interest on PD Account	0	3,55,60,000
Subordinated Loan (KfW) from Government	0	5,41,54,435
Proceeds of 8.25% Taxable Bonds Issue	0	80,00,00,000
Total (B)	97,30,32,183	186,23,13,553
Total (A) +(B)	224,33,67,127	340,24,23,759
Payments:		
Redemption of Bonds	22,99,80,000	25,79,86,663
Interest on Bonds	19,79,83,000	15,22,28,204
Repayment of HUDCO Loan	16,68,00,000	16,68,00,000
Interest on HUDCO Loan	27,52,08,773	28,62,49,340
Interest on PD Account	0	3,55,60,000
Interest on Subordinated Loan (KfW)	77,89,132	74,15,237
Deposit Placed with Financial Institutions	63,48,180	0
Loans Disbursed to ULBs	0	121,35,50,935
Other Expenses	1,21,96,629	1,22,98,436
Total (C)	89,63,05,714	213,20,88,815

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2019

Particulars	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
	(₹)	
Closing balances: Cash & Cash Equivalents		
-Cash on hand	0	0
-Balance in Savings Bank Accounts with Banks	2,11,71,213	13,66,01,408
-Balance in Public Deposit Accounts with Banks	7,26,03,500	7,26,03,500
-Balance in Term Deposit Accounts with Banks	125,32,86,700	106,11,30,036
Total (D) (A+B-C)	134,70,61,413	127,03,34,944

As per our report of even date attached

For N. Raja & Associates

Chartered Accountants

Firm Reg. No.003388S

Sd/-

N. Raja

Partner

Membership No.022890

For Water and Sanitation Pooled Fund

Sd/-

Kakarla Usha, IAS

Member Secretary

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date: 27.06.2019

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

Notes forming part of the financial statements for the Year ended 31.03.2019

Particulars	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
	(₹)	
Note 1: Government Grant Account		
Government of Tamil Nadu Grant Account	61,23,59,289	55,51,71,187
Cash Collateral for bond issues	52,93,50,093	49,56,87,747
Credit Rating Enhancement Fund	44,00,34,578	42,48,39,624
Total	158,17,43,960	147,56,98,558
Note 2: Loans Borrowed		
7.25% 10 year Tax Free Pooled Finance Development Bonds	0	1,34,00,000
7.50% 10 year Tax Free Pooled Finance Development Bonds	28,91,60,000	43,37,40,000
10.60% 10 year Taxable Pooled Bonds	40,80,00,000	51,00,00,000
8.71% 10 year Taxable Pooled Bonds	51,00,00,000	51,00,00,000
8.25% 12 year Taxable Pooled Bonds	80,00,00,000	80,00,00,000
Subordinated Loan (KfW)	111,11,54,435	111,11,54,435
Loan from HUDCO	254,13,00,000	270,81,00,000
NRCP / NLCP Loan	7,62,67,069	12,52,17,522
Total	573,58,81,504	621,16,11,957
Note 3: Current Liabilities		
Interest payable on bonds	13,68,51,657	15,06,75,382
Interest payable on HUDCO loan	2,30,94,499	2,32,71,111
Interest payable on Subordinated Loan	55,62,150	26,58,010
Interest payable on NRCP / NLCP Loan	15,01,986	24,05,847
Other Liabilities	3,00,78,372	35,400
Received in advance from ULBs	2,46,44,328	3,69,74,799
Total	22,17,32,992	21,60,20,549
Note 4: Loans Disbursed		
Loans Disbursed to ULBs	525,20,32,070	566,13,00,912
Other Loans	7,62,67,069	12,52,17,522
Total	532,82,99,139	578,65,18,434

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

Notes forming part of the financial statements for the Year ended 31.03.2019

Particulars	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
	(₹)	
Note 5: Current Assets		
a) Cash & Cash Equivalents:		
Balances with Scheduled Banks		
- in Savings Bank Accounts	2,11,71,213	13,66,01,408
- in Public Deposit Accounts	7,26,03,500	7,26,03,500
- in Term Deposit Accounts	125,32,86,700	106,11,30,036
b) Current Investments		
- Term Deposits with Financial Institutions	70,76,76,359	70,13,28,179
c) Other Current Assets		
- Interest Accrued on Deposits	8,65,60,102	7,45,70,706
- Interest Accrued on Loans Disbursed to ULBs	3,81,55,446	4,09,29,401
- Interest Accrued on Public Deposit	55,62,150	26,58,010
- Interest Accrued on Other Loans	15,01,986	24,05,847
- Amount receivable from Government	2,30,94,499	2,32,71,111
- Tax Deducted at source	14,57,362	13,24,432
Total	221,10,69,317	211,68,22,630
Note 6: Interest earned on Loans Disbursed		
Interest earned on Loans to ULBs	46,29,70,548	47,93,22,444
Interest earned on Other Loans	1,28,63,207	2,75,67,260
Total	47,58,33,755	50,68,89,704
Note 7: Other Income		
Other Income	1,22,39,601	1,23,10,836
Total	1,22,39,601	1,23,10,836
Note 8: Interest on Loans Borrowed		
Interest on bonds issued	18,41,59,275	19,89,18,453
Interest on Subordinated Loan (KfW)	77,89,132	74,15,237
Interest on other Loans Borrowed	28,38,85,348	30,05,56,014
Total	47,58,33,755	50,68,89,704
Note 9: Other Expenses		
Management Fee	50,11,395	43,06,900
Government Guarantee Fee	65,50,000	60,51,370
Other operating expenses	6,78,206	19,52,566
Total	1,22,39,601	1,23,10,836

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

Notes forming part of the financial statements for the Year ended 31.03.2019

Note 10: Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

b. Investments

Current Investments are valued at lower of cost or market value. Long term investments are usually carried at cost.

c. Income Recognition

Interest on loans disbursed and investment income are recognized as per contract on accrual basis.

d. Expenditure

The expenses relating to Trust viz. setting up, registration, operations etc. are met from the Grant Fund / GoTN Grant Account / Project Development Grant.

e. Borrowing Costs

Borrowing costs are capitalized as part of the cost of the qualifying asset when it is probable that they will result in future economic benefit to the Trust and the cost can be measured. Other borrowing costs are recognized as an expense in the year in which they are incurred.

Note 11: Notes on Accounts

a. Formation

The Government of Tamil Nadu (GoTN) vide G.O.(Ms).No. 113, Municipal Administration and Water Supply (MA II) Department, dated 19.08.2002 has ordered the setting up of Water and Sanitation Pooled Fund (WSPF) under the Indian Trust Act, 1882.

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

Notes forming part of the financial statements for the Year ended 31.03.2019

Accordingly, the WSPF was established as a Trust under the Indian Trust Act, 1882, by a Deed of Trust dated 20.08.2002. The Settler is the GoTN and being the only Contributor to the Trust, the Trust is Government Trust. This Trust has been set up as an entity not for profit but for playing an important role for common good and to serve the public and the Trust was expected to function as a mutual enterprise between the investors and Urban Local Bodies (ULBs) under the pooled financing framework.

b. GoTN Grant Account

The objective of the Trust is to mobilize funds and pass them on to ULB's for creation of infrastructure facilities, without any profit motive. Hence the Government ordered that all grants and amounts received from the GoTN, all grants and amounts disbursed as ordered by the GoTN and interest earned on deposits / investments made from the fund shall be accounted under the head GoTN Grant Account in the books of the Trust. Expenses are met out of Grants. The loss due to operation (interest loss amounting to Rs. 40,10,020/- and other expenses of Rs. 1,22,39,601/-) for the financial year 2018-19 has been adjusted against GoTN Grant A/c.

c. Credit Rating Enhancement Fund (CREF) Grant and Project Development (PD) Grant

Amount received from Government of Tamil Nadu and Government of India as grant towards CREF for the tax-free bond issue under the Pooled Finance Development Fund (PFDF) Scheme of Government of India along with the interest earned on CREF deposit has been accounted as CREF Grant under the head Government Grant Account. Similarly, amount from Government of Tamil Nadu and Government of India as grant for meeting the project development and issue expenses for the tax-free bond issue under the PFDF Scheme along with the interest earned has been accounted as project development grant under the head Government Grant Account.

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

Notes forming part of the financial statements for the Year ended 31.03.2019

d. WSPF Bonds

A sum of Rs.302.30 crores has been mobilized by issue of Taxable and Tax-free Non-Convertible Redeemable Pooled Bonds, of which a sum of Rs.101.58 crores (of which Rs.25.99 crores during the financial year 2018-19) has been redeemed. The principal bond balance as on 31.03.2019 is Rs.200.72 crores.

e. Employee Retirement Benefits

At present, there are no employees in the Trust. The Trust is managed by the Fund Manager on fee basis.

f. Registration under section 12AA of the Income Tax Act 1961

Water and Sanitation Pooled Fund has been registered as Public Charitable Trust under section 12AA of the Income Tax Act, 1961 vide Proceedings No. DIT (E) No.2 (1809) 07-08, dated 11.09.2008 issued by the Director of Income Tax (Exemptions), Chennai – 600 034.

g. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For N. Raja & Associates

Chartered Accountants
Firm Reg. No.003388S

For Water and Sanitation Pooled Fund

Sd/-

N. Raja

Partner

Membership No.022890

Sd/-

Kakarla Usha, IAS

Member Secretary

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date: 27.06.2019

PROJECT SUSTAINABILITY GRANT FUND

Report on the Activities and Annual Accounts of Project Sustainability Grant Fund for the FY 2018-19

1. Introduction

The Project Sustainability Grant Fund (PSGF) is a non lapsable fund created by Government of Tamil Nadu to provide grant for implementing urban infrastructure projects in the State of Tamil Nadu. It is a Government Fund and the Corpus for the Fund will be provided by Government of Tamil Nadu, through annual budgetary allocation. The Government vide G.O.(Ms) No.94, Municipal Administration and Water Supply (MA-2) Department, dated 01.07.2015 have issued orders for creation of Project Sustainability Grant Fund with effect from 01.04.2015.

2. Objectives

The PSGF is capital grant to support implementation of urban infrastructure projects and provide grant for operation of credit enhancement mechanism. The PSGF will be used to assist eligible applicants for the following:

- i. To provide capital grant for implementation of urban infrastructure projects which directly benefit the urban low income population.
- ii. To provide viability gap funding with an aim to achieve financial sustainability of urban infrastructure projects which directly benefit urban population.
- iii. To provide grant to operate credit enhancement mechanisms for issue of bonds, debt instruments and other borrowings.

3. Fund Management

The PSGF is managed by the Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) based on the guidelines prescribed and procedures laid down by the Government, from time to time. TNUIFSL acts as a fund manager of PSGF.

4. Fund Size, sources and allocation

The corpus for the Fund will be provided by Government of Tamil Nadu through various sources as detailed below:

- i. The external aided projects assisted by World Bank, KfW and JICA through annual budgetary allocation, based on the lines of credit in operation.
- ii. The external aided projects assisted by World Bank, KfW, JICA and such other funding institutions through annual budgetary allocation; which may be availed from time to time.

- iii. The interest from deposits, investments and any other income earned or accruing to the PSGF shall form part of its corpus and shall be applied for the objective for which the Fund is created.
- iv. Other sources and means as ordered by the Government from time to time.

5. Eligibility Criteria

All categories (Corporations, Municipalities and Town Panchayats) of Urban Local Bodies (ULBs) in the State of Tamil Nadu and Chennai Metropolitan Water Supply & Sewerage Board (CMWSSB) are eligible to avail financial assistance in the form of grant for implementation of urban infrastructure projects. All ULBs in the State of Tamil Nadu, Tamil Nadu Urban Development Fund (TNUDF) & Water and Sanitation Pooled Fund (WSPF) are eligible to avail financial assistance for operating credit enhancement mechanisms for issue of bonds, debt instruments and other borrowings.

All urban infrastructure projects assisted under the external lines of credit are eligible for capital grant / viability gap grant under the PSGF subject to the compliance of conditions prescribed in the guideline. The financial assistance for capital grant / viability gap grant under the PSGF for other urban infrastructure projects which are not covered above shall be decided by the Government based on the recommendations of the Sanctioning Committee, from time to time.

6. Procedure for application and approval of grant

The Sanctioning Committees (Empowered Committee / State Level Project Sanctioning Committee / such other Committee) constituted by the Government under the respective external lines of credit, will decide upon the capital grant / viability gap grant to be provided to urban infrastructure projects based on norms prescribed in the external aided projects / programs.

The financial assistance for capital grant / viability gap grant under the PSGF for other urban infrastructure projects which are not covered above and grant for the operation of credit enhancement mechanism shall be decided by the Government based on the recommendations of the Sanctioning Committee consisting of the following officials:

- Principal Secretary to Government, MA & WS Department,
- Principal Secretary to Government, Finance Department and
- Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited

7. Procurement

Procurement procedures for the implementation of urban infrastructure projects shall be in accordance with the guidelines prescribed by / agreed upon with the respective funding agency. In the case of other urban infrastructure projects which are not covered above, the procurement procedures as prescribed under Tamil Nadu Transparency in Tenders Act 1998, Tamil Nadu Transparency in Tenders Rules, 2000 and Tamil Nadu Transparency in Tenders (Public Private Partnership Procurement) Rules, 2012 (amended up to date) shall be adhered to.

8. Performance

A sum of ₹ 443.43 crores has been received from Government during the financial year 2018-19 and a sum of ₹ 339.61 crores has been disbursed to various ULBs during the financial year 2018-19. The details are furnished below:-

(₹) in Crores

Details	Financial Year 2018-19	Financial Year 2017-18
Balance of Fund as on 1st April	332.08	396.71
Add: Grant received from GoTN	443.43	203.57
Add: Excess of Income over Expenditure	3.00	6.00
TOTAL	778.51	606.28
Less: Disbursements	339.61	274.20
Balance of Fund as on 31st March	438.90	332.08

9. Accounts and Audit

The Annual Accounts for the financial year 2018-19 have been audited by M/s. P.M.M. Associates, Chartered Accountants, Chennai.

P. M. M. ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors,
Tamil Nadu Urban Infrastructure Financial Services Limited
(Fund Manager of Project Sustainability Grant Fund)

Opinion

We have audited the financial statements of **Project Sustainability Grant Fund** (the entity), the Grand Fund of Government Tamil Nadu which comprise the Balance Sheet as at 31st March 2019, and the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31st March 2019, and of its financial performance and its Receipts and Payments Account for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management (Fund Manager) is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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, management is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting

P. M. M. ASSOCIATES
CHARTERED ACCOUNTANTS

process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 in accordance with SAs 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.

For **P.M.M. Associates,**
Chartered Accountants
Firm No.002494S
Sd/-

(N. Ramaraj)

Partner

Place : Chennai

Date : 27-06-2019

Membership No. 022683

No. 9, State Bank Colony Extension, S2 Sailakshmi Flats, Opp. J.K.Mahal, Nanganallur, Chennai- 600 061
Ph No : 044-22243472, Mobile : 9385661152 & 9841014549 email : aramaraj11@hotmail.com

PROJECT SUSTAINABILITY GRANT FUND
(Grant Fund of Government of Tamil Nadu)

BALANCE SHEET AS AT 31st MARCH 2019

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
		(₹)	
Sources of Funds			
Grant from Government	1	438,89,40,543	332,07,79,829
Current Liabilities	2	3,11,068	59,400
Total		438,92,51,611	332,08,39,229
Application of Funds			
Current Assets	3		
a. Cash and Cash Equivalents		389,70,20,591	264,33,85,952
b. Term Deposit with Companies		42,99,28,528	58,70,24,000
c. Other Current Assets		6,23,02,492	9,04,29,277
Total		438,92,51,611	332,08,39,229
Notes including Significant Accounting Policies - Note 4 to 6			

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Place: Chennai

Date: 27.06.2019

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Project Sustainability Grant Fund)

PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31stMARCH 2019

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	(₹)	
Income		
Interest earned		
On Savings Bank Account	30,81,452	14,44,111
On Deposit Accounts	5,69,07,072	8,12,19,775
Total	5,99,88,524	8,26,63,886
Expenditure		
Management Fee & Other Charges	2,99,29,910	2,26,35,560
Audit Fee – Statutory Audit	64,900	64,900
Total	2,99,94,810	2,27,00,460
Excess of Income over Expenditure transferred to Grant from Government	2,99,93,714	5,99,63,426
Notes including Significant Accounting Policies - Note 4 to 6		

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Place: Chennai

Date: 27.06.2019

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Project Sustainability Grant Fund)

PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2019

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
	(₹)	
Receipts		
Grant from Government	443,43,00,000	203,57,06,621
Interest Receipts	6,87,11,218	7,79,09,141
Term Deposit with Companies	15,70,95,472	19,35,74,781
Other Receipts from TNUDF	3,05,80,873	0
Total	469,06,87,563	230,71,90,543
Payments		
Disbursements to Urban Local Bodies	339,61,33,000	274,20,20,000
Other Payments to TNUDF	0	1,03,80,489
Other Payments to WSPF	1,11,76,782	37,99,476
Management Fee & Other Charges	2,96,78,242	2,26,35,560
Audit Fees	59,400	51,750
TDS on Audit Fees	5,500	5,500
Total	343,70,52,924	277,88,92,775
Surplus / (Deficit) for the period	125,36,34,639	(47,17,02,232)
Add: Opening Cash and Bank Balances	264,33,85,952	311,50,88,184
Closing Cash & Bank Balances	389,70,20,591	264,33,85,952

Vide our report of even date attached

For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Place: Chennai

Date: 27.06.2019

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Project Sustainability Grant Fund)

PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2019

Note-4: Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India.

b. Revenue Recognition

Interest earned on the term deposits is recognized on a time proportion basis on the outstanding balances at the applicable rates.

c. Management fee

The Project Sustainability Grant Fund (Grant Fund of Government of Tamil Nadu) is managed by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) as per the guidelines prescribed by Government of Tamil Nadu vide G.O.(Ms) No.94, Municipal Administration and Water Supply (MA2) Department, dated 01.07.2015. TNUIFSL is eligible for a fee of 1% of the disbursement made out of the Project Sustainability Grant Fund.

d. Transfer of surplus

The balance in Income and Expenditure Account is transferred every year to the Grant from Government Account.

e. Grant from Government Account

The balance in Grant from Government Account represents grants received from the GoTN, transfer of balance from Income and Expenditure Account, disbursement of capital grant to ULBs & other eligible disbursements, if any.

PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2019

Note-5:Nature of Operation

The PSGF is capital grant to support implementation of urban infrastructure projects and provide grant for operation of credit enhancement mechanism. The PSGF will be used to assist eligible applicants to provide capital grant for implementation of urban infrastructure projects which directly benefit the urban low-income population, to provide viability gap funding with an aim to achieve financial sustainability of urban infrastructure projects which directly benefit urban population and to provide grant to operate credit enhancement mechanisms for issue of bonds, debt instruments and other borrowings.

Note-6:Previous year's figures have been regrouped / reclassified wherever necessary.

Vide our report of even date attached

For P.M.M. Associates
Chartered Accountants
Firm Reg. No: 002494S

Sd/-

N. Ramaraj
Partner
Membership No: 022683

Place: Chennai
Date: 27.06.2019

Sd/-

Kakarla Usha, IAS
Managing Director

**(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Project Sustainability Grant Fund)**

Sd/-

Harmander Singh, IAS
Chairman

PROJECT DEVELOPMENT GRANT FUND

Report on the Activities and Annual Accounts of Project development Grant Fund for the Financial Year 2018-19

1. Introduction

The Project Development Grant Fund (PDGF) is a non lapsable fund created by Government of Tamil Nadu vide G.O.(Ms) No.94 Municipal Administration and Water Supply (MA-2) Department dated 01.07.2015 have issued orders for creation of Project Development Grant Fund with effect from 01.04.2015 to provide technical assistance grant to support consultancy assignments for creation of urban infrastructure, provision of urban facilities and services, up-gradation of the living standards of urban population and improvement in the delivery of urban services to such population. It is a Government Fund and the Corpus for the Fund will be provided by Government of Tamil Nadu, through annual budgetary allocation.

2. Objectives

The PDGF is technical assistance grant to support consultancy assignments for creation of urban infrastructure, provision of urban facilities and services, up-gradation of the living standards of urban population and improvement in the delivery of urban services to such population. The PDGF will be used provide grant to carry out consultancy assignments, to operate and manage resource mobilisation programs and to carry out capacity building & development and training.

3. Fund Management

The PDGF is managed by the Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) based on the guidelines prescribed and procedures laid down by the Government, from time to time. TNUIFSL acts as a fund manager of PDGF.

4. Fund Size, sources and allocation

The corpus for the Fund will be provided by Government of Tamil Nadu through various sources as detailed below:

- i. The external aided projects assisted by World Bank, KfW and JICA through annual budgetary allocation, based on the lines of credit in operation.
- ii. Plough Back of Government of Tamil Nadu's share of Tamil Nadu Urban Development Fund's (TNUDF) interest on units.

- iii. The external aided projects assisted by World Bank, KfW, JICA and such other funding institutions through annual budgetary allocation, which may be availed from time to time.
- v. The transfer of available funds from Grant Fund-II under TNUDP III, KfW Grant Fund –II under SMIF-TN Program, SMIF-TN-II-2 Program, JBIC Grant Fund-II under TNUIP and Project Preparatory Grant Fund to the PDGF.
- v. The interest from deposits, investments and any other income earned or accruing to the PDGF shall form part of its corpus and shall be applied for the objective for which the Fund is created.
- vi. Other sources and means as ordered by the Government from time to time.

5. Eligibility Criteria

All categories (Corporations, Municipalities and Town Panchayats) of Urban Local Bodies (ULBs) in the State of Tamil Nadu, Statutory Boards, Government Departments and other institutions owned or managed by Government of Tamil Nadu are eligible to avail technical assistance grant. It is also available on a case to case basis to registered trusts, registered societies, academic and research institutions. However, grants will not be released directly to the applicant, instead the grant will be utilised to provide necessary technical assistance by utilising the services of consultant(s), expert(s) or otherwise for carrying out the objectives specified in this guideline. All ULBs in the State of Tamil Nadu, Tamil Nadu Urban Development Fund (TNUDF), Water and Sanitation Pooled Fund (WSPF) are eligible to avail grant assistance for resource mobilisation by issue of bonds, debt instruments and other borrowings.

The PDGF will finance the costs of technical assistance to the eligible applicants with respect to all eligible assignments which will lead to creation of urban infrastructure, provision of urban utilities, facilities and services, up-gradation of the living standards of urban population and improvement in the delivery of urban services to such population in the State of Tamil Nadu. The technical assistance grant under the PDGF for assignments which are not covered above shall be decided by the Government based on the recommendations of the Technical Assistance Sanctioning Committee, from time to time.

6. Procedure for application and approval of grant

The Technical Assistance Sanctioning Committee consisting of the following officials will approve the grant for required technical assistance

- Principal Secretary to Government, MA & WS Department,
- Principal Secretary to Government, Finance Department,
- Commissioner of Municipal Administration (or) Commissioner of Town Panchayats as the case may be and
- Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited.

7. Procurement

Procurement procedures for the assignments shall be in accordance with the guidelines prescribed by / agreed upon with the respective funding agency. In the case of assignments which are not covered above, the procurement procedures as prescribed under Tamil Nadu Transparency in Tenders Act 1998, Tamil Nadu Transparency in Tenders Rules, 2000 and Tamil Nadu Transparency in Tenders (Public Private Partnership Procurement) Rules, 2012 (amended up to date) shall be adhered to.

8. Performance

A sum of ₹ 8.00 crores has been received from Government during the financial year 2018-19 and a sum of ₹18.28 crores has been disbursed to various consultancy assignments during the financial year 2018-19. The details are furnished below:

(₹) in Crores

Details	Financial Year 2018-19	Financial Year 2017-18
Balance of Fund as on 1st April	100.58	85.43
Add: Grant received from GoTN	8.00	21.74
Add: Excess of Income over Expenditure	6.79	6.62
TOTAL	115.37	113.79
Less: Disbursements	18.28	13.21
Balance of Fund as on 31st March	97.09	100.58

9. Accounts and Audit

The Annual Accounts for the financial year 2018-19 have been audited by M/s.P.M.M.Associates, Chartered Accountants, Chennai.

P. M. M. ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors,
Tamil Nadu Urban Infrastructure Financial Services Limited
(Fund Manager of Project Development Grant Fund)

Opinion

We have audited the financial statements of **Project Development Grant Fund** (the entity), the Grant Fund of Government of Tamil Nadu, which comprise the Balance Sheet as at 31st March 2019, and the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31st March 2019, and of its financial performance and its Receipts and Payments Account for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management (Fund Manager) is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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, management is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting

P. M. M. ASSOCIATES
CHARTERED ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

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 in accordance with SAs 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.

For **P.M.M. Associates,**
Chartered Accountants
Firm No.002494S
Sd/-

(N. Ramaraj)

Partner

Place: Chennai

Date: 27-06-2019

Membership No. 022683

No. 9, State Bank Colony Extension, S2 Sailakshmi Flats, Opp. J.K.Mahal, Nanganallur, Chennai- 600 061
Ph No : 044-22243472, Mobile : 9385661152 & 9841014549 email : aramaraj11@hotmail.com

PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

BALANCE SHEET AS AT 31.03.2019

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
		(₹)	
Sources of Funds			
Grant from Government	1	97,09,49,412	100,58,71,528
Current Liabilities	2	19,06,711	12,39,400
Total		97,28,56,123	100,71,10,928
Application of Funds			
Current Assets	3		
a. Cash and Cash Equivalents		21,51,76,086	36,82,33,475
b. Term Deposit with Companies		73,08,70,390	58,48,49,915
c. Other Current Assets		2,68,09,647	5,40,27,538
Total		97,28,56,123	100,71,10,928
Notes including Significant Accounting Policies - Note 4 to 6			

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Project Development Grant Fund)

Place : Chennai

Date : 27.06.2019

PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2019

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	(₹)	
Income		
Interest earned		
On Savings Bank Account	4,38,713	2,80,431
On Deposit Accounts	6,96,83,566	6,75,87,993
Total	7,01,22,279	6,78,68,424
Expenditure		
Management Fee & Other Charges	21,57,303	15,55,684
Audit Fee – Statutory Audit	64,900	64,900
Total	22,22,203	16,20,584
Excess of Income over Expenditure transferred to Grant from Government	6,79,00,076	6,62,47,840
Notes including Significant Accounting Policies - 4 to 6		

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place : Chennai

Date : 27.06.2019

(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Project Development Grant Fund)

PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2019

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
	(₹)	
Receipts		
Grant from Government	8,00,00,000	21,74,45,803
Interest Receipts	9,73,40,170	4,40,43,962
Earnest Money Deposit	3,30,000	8,55,000
Total	17,76,70,170	26,23,44,765
Payments		
Disbursements	18,28,22,192	13,20,96,695
Management Fee & Other Charges	18,19,992	15,55,684
Audit Fees	59,400	51,750
TDS on Audit Fees	5,500	5,500
Term Deposit with Companies	14,60,20,475	4,31,00,206
Total	33,07,27,559	17,68,09,835
Surplus / (Deficit) for the period	(15,30,57,389)	8,55,34,930
Add: Opening Cash and Bank Balances	36,82,33,475	28,26,98,545
Closing Cash & Bank Balances	21,51,76,086	36,82,33,475

Vide our report of even date attached

For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Project Development Grant Fund)

Place : Chennai

Date : 27.06.2019

PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2019

Particulars	As at 31.03.2019	As at 31.03.2018
	(₹)	(₹)
Note-1		
Grant from Government		
Balance at the beginning of the year	100,58,71,528	85,42,74,580
Add: Grant assistance received during the year	8,00,00,000	21,74,45,803
Excess of Income over Expenditure carried from Income & Expenditure Account	6,79,00,076	6,62,47,840
	115,37,71,604	113,79,68,223
Less: Disbursements made during the year	18,28,22,192	13,20,96,695
Total	97,09,49,412	100,58,71,528
Note-2		
Current Liabilities		
Audit Fee payable	59,400	59,400
Other Liabilities	15,10,000	11,80,000
TDS payable under GST	3,37,311	0
Total	19,06,711	12,39,400
Note-3		
Current Assets		
a.Cash and Cash Equivalents		
i. in Savings Account	41,05,661	27,63,050
ii. in Deposit Account	8,10,00,000	21,50,00,000
iii. In Public Deposit Account with Banks	13,00,70,425	15,04,70,425
	21,51,76,086	36,82,33,475
b.Current Investments		
i. Term Deposit with Companies	73,08,70,390	58,48,49,915
	73,08,70,390	58,48,49,915
c.Other Current Assets		
i. Accrued interest on Deposits	2,68,09,647	5,40,27,538
	2,68,09,647	5,40,27,538
Total	97,28,56,123	100,71,10,928

PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2019

Note-4: Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India.

b. Revenue Recognition

Interest earned on the term deposits is recognized on a time proportion basis on the outstanding balances at the applicable rates.

c. Management fee

The Project Development Grant Fund (Grant Fund of Government of Tamil Nadu) is managed by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) as per the guidelines prescribed by Government of Tamil Nadu vide G.O.(Ms) No.94, Municipal Administration and Water Supply (MA2) Department, dated 01.07.2015. TNUIFSL is eligible for a fee of 1% of the disbursement made out of the Project Development Grant Fund

d. Transfer of surplus

The balance in Income and Expenditure Account is transferred every year to the Grant from Government Account.

e. Grant from Government Account

The balance in Grant from Government Account represents grants received from the GoTN, transfer of balance from Income and Expenditure Account, disbursement of capital grant to ULBs & other eligible disbursements, if any.

PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2019

Note-5:Nature of Operation

The PDGF is technical assistance grant to support consultancy assignments for creation of urban infrastructure, provision of urban facilities and services, up-gradation of the living standards of urban population and improvement in the delivery of urban services to such population. The PDGF will be used provide grant to carry out consultancy assignments, to operate and manage resource mobilisation programs and to carry out capacity building & development and training.

Note-6: Previous year's figures have been regrouped / reclassified wherever necessary.

Vide our report of even date attached

For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place : Chennai

Date : 27.06.2019

**(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Project Development Grant Fund)**

TAMILNADU URBAN ROAD INFRASTRUCTURE FUND (TURIF)

Report on the Activities and Annual Accounts of Tamil Nadu Urban Road Infrastructure Fund for the Financial Year 2018-19

1. Introduction

The Government of Tamil Nadu have created a non-lapsable fund in the name of Tamil Nadu Urban Road Infrastructure Fund (TURIF) vide G.O. Ms. No.235, Municipal Administration and Water Supply (MA-II) Department dated 27.11.2008 to implement Tamil Nadu Urban Road Infrastructure Project (TURIP) and prescribed the guidelines for operation of the fund. Further, the Government vide G.O. Ms. No.290, Municipal Administration and Water Supply (MA-III) Department, dated 22.11.2010 issued the revised procedures and guidelines.

2. Objective of the project

The objective of TURIP is to implement through a dedicated non-lapsable fund, namely, the Tamil Nadu Urban Road Infrastructure Fund (TURIF) to improve / renovate / relay roads and related infrastructure in the Municipal Corporation, Municipalities and Town Panchayats of Tamil Nadu.

3. Fund Management

The TURIF is managed and operated by TNUIFSL based on the guidelines prescribed and procedures laid down by the Government, from time to time. TNUIFSL acts as fund manager of TURIF.

4. Fund size, sources and allocation

The fund will have multiple sources viz., a portion of the assigned revenue payable to Municipal Corporations, Municipalities and Town Panchayats on account of surcharge on stamp duty, a portion of devolution to the Urban Local Bodies, proceeds from the issue of bonds and other market borrowings, other borrowings from Government, grants and any other source as decided by the Government, from time to time. The interest from investments and any other income earned or accruing to TURIF will also form part of its corpus and will be applied for the purposes for which the fund is created.

5. Eligibility Criteria

5.1 Eligible Projects

The TURIF will finance improvement, renovation and relaying of roads in the Urban Local Bodies including related infrastructures such as pedestrian footpaths, storm water drains, signages, provision for ducting, street furniture, protective structures such as retaining walls, minor cross drainage structures, minor bridges and bus stands.

5.2 Eligible Grant Applicants

All Municipal Corporations, Municipalities and Town Panchayats in the State are eligible for funding under this project.

6. Procedure for application, approval and disbursement of grant

Application from the ULBs for financial assistance along with the detailed estimate of the project and other relevant documents shall be scrutinized by the Commissioner of Municipal Administration / Director of Town Panchayats and placed before the Committee for approval. The Committee consisting of Principal Secretary to Government, Municipal Administration and Water Supply Department as Chairperson, the Commissioner of Municipal Administration and the Director of Town Panchayats as members shall approve the proposals and sanction grants from TURIF. The funds from TURIF shall be released to the ULBs based on the proceedings of the Commissioner of Municipal Administration / Director of Town Panchayats and utilization certificates for the grant already disbursed to ULBs.

7. Procurement procedures

The Tamil Nadu Transparency in Tenders Act, 1998 and all relevant rules and procedures shall be duly followed for procurement of works, goods & services under this project.

8. Performance

During the financial year 2018-2019, a sum of Rs.428.83 crores (previous year Rs.332.18 crores) has been released by Government to TURIF. A sum of Rs.385.30 crores (previous year Rs.238.90 crores) has been disbursed to ULBs as grant.

9. Accounts and Audit

The Annual Accounts for the financial year 2018-2019 have been audited by M/s. P.M.M Associates, Chartered Accountants, Chennai – 600 061.

P. M. M. ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors,
Tamil Nadu Urban Infrastructure Financial Services Limited
(Fund Manager of Tamil Nadu Road Infrastructure Fund)

Opinion

We have audited the financial statements of TAMILNADU URBAN ROAD INFRASTRUCTURE Fund (the entity), the Grand Fund of Government of Tamil Nadu, which comprise the Balance Sheet as at 31st March 2019, and the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31st March 2019, and of its financial performance and its the Receipts and Payments Account for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

The Management (Fund Manager) is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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, management is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

P. M. M. ASSOCIATES
CHARTERED ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

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 in accordance with SAs 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.

For **P.M.M. Associates,**
Chartered Accountants
Firm No.002494S
Sd/-
(N. Ramaraj)
Partner
Membership No. 022683

Place: Chennai
Date: 27-06-2019

No. 9, State Bank Colony Extension, S2 Sailakshmi Flats, Opp. J.K.Mahal, Nanganallur, Chennai- 600 061
Ph No : 044-22243472, Mobile : 9385661152 & 9841014549 email : aramaraj11@hotmail.com

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND

(Grant Fund of Government of Tamil Nadu)

BALANCE SHEET AS AT 31.03.2019

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
		(₹)	
Sources of Funds			
Grant from Government	1	295,20,51,183	232,66,08,441
Current Liabilities	2	25,540	23,600
Total		295,20,76,723	232,66,32,041
Application of Funds			
Current Assets			
a. Cash and Cash Equivalents	3	184,85,34,283	140,52,28,879
b. Term Deposit with Companies		106,27,76,433	81,18,62,198
c. Other Current Assets		407,66,007	10,95,40,964
Total		295,20,76,723	232,66,32,041
Notes including Significant Accounting Policies - Note 4			

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place : Chennai

Date : 27.06.2019

(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Tamil Nadu Urban Road Infrastructure Fund)

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND
(Grant Fund of Government of Tamil Nadu)

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2019

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	(₹)	
Income		
Interest earned		
On Savings Bank Account	69,25,757	26,09,316
On Deposit Accounts	18,37,00,272	12,55,31,827
Total	19,06,26,029	12,81,41,143
Expenditure		
Management Fee	4,54,649	2,78,754
Audit Fee – Statutory Audit	23,600	23,600
Total	4,78,249	3,02,354
Excess of Income over Expenditure transferred to Grant from Government	19,01,47,780	12,78,38,789
Notes including Significant Accounting Policies - 4		

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place : Chennai

Date : 27.06.2019

(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Tamil Nadu Urban Road Infrastructure Fund)

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND
(Grant Fund of Government of Tamil Nadu)

RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2019

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
	(₹)	
Receipts		
Grant from Government	428,82,46,962	332,17,72,388
Interest Receipts	25,94,00,986	8,97,50,964
Total	454,76,47,948	341,15,23,352
Payments		
Disbursements to Urban Local Bodies	385,29,52,000	238,90,43,000
Management Fee	4,52,709	2,78,754
Audit Fees	23,600	17,250
Term Deposit with Companies	25,09,14,235	32,95,85,439
Total	410,43,42,544	271,89,24,443
Surplus / (Deficit) for the year	44,33,05,404	69,25,98,909
Add: Opening Cash and Bank Balances	140,52,28,879	71,26,29,970
Closing Cash & Bank Balances	184,85,34,283	140,52,28,879

Vide our report of even date attached

For P.M.M. Associates
Chartered Accountants
Firm Reg. No: 002494S

Sd/-

N. Ramaraj
Partner
Membership No: 022683

Sd/-

Kakarla Usha, IAS
Managing Director

Sd/-

Harmander Singh, IAS
Chairman

Place : Chennai
Date : 27.06.2019

(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Tamil Nadu Urban Road Infrastructure Fund)

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND
(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2019

Particulars	As at 31.03.2019	As at 31.03.2018
	(₹)	(₹)
Note-1 : Grant from Government		
Balance at the beginning of the year	232,66,08,441	126,60,40,264
Add: Grant assistance received during the year	428,82,46,962	332,17,72,388
Excess of Income over Expenditure carried from Income & Expenditure Account	19,01,47,780	12,78,38,789
	680,50,03,183	471,56,51,441
Less: Disbursements to ULBs during the year	385,29,52,000	238,90,43,000
Total	295,20,51,183	232,66,08,441
Note-2 : Current Liabilities		
Audit Fee payable	23,600	23,600
TDS payable under GST	1,940	0
Total	25,540	23,600
Note-3 : Current Assets		
a. Cash and Cash Equivalents		
i. in Savings Bank Account with Banks	38,13,296	109,124
ii. in Deposit Account with Banks	184,47,20,987	140,51,19,755
	184,85,34,283	140,52,28,879
b. Deposit with Companies	106,27,76,433	81,18,62,198
c. Other Current Assets		
i. Interest accrued on Deposits	4,07,66,007	10,95,40,964
Total	295,20,76,723	232,66,32,041

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2019

Note-4: Significant Accounting Policies and Notes forming part of Financial Statements

(I) Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India.

b. Revenue Recognition

Interest earned on the term deposits is recognized on a time proportion basis on the outstanding balances at the applicable rates.

c. Management fee

The Tamil Nadu Urban Road Infrastructure Fund (Grant Fund of Government of Tamil Nadu) is managed by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) as per the guidelines prescribed by Government of Tamil Nadu vide G.O. Ms. No.290, Municipal Administration and Water Supply (MA-III) Department, dated 22.11.2010 and as ammended from time to time. The fee structure is prscribed by the Government from time to time. The Government vide G.O.Ms.No.45, Municipal Administration & Water Supply (M.A.3) Department dated 09.04.2013 approved the fee of 0.01% to TNUIFSL for the disbursement made from the Financial Year 2011-12 onwards.

d. Transfer of surplus

The balance in Income and Expenditure Account is transferred every year to the Grant from Government Account.

e. Grant from Government Account

The balance in Grant from Government Account represents grants received from the GoTN, transfer of balance from Income and Expenditure Account, disbursement of capital grant to ULBs & other eligible disbursements, if any.

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2019

Note – 4 – Significant Accounting Policies and Notes forming part of Financial Statements

(II) Notes forming part of Financial Statements

A. Nature of Operation

The Tamil Nadu Urban Road Infrastructure Fund will finance improvement, renovation and relaying of roads in the Urban Local Bodies including related infrastructures such as pedestrian footpaths, storm water drains, signages, provision for ducting, street furniture, protective structures such as retaining walls, minor cross drainage structures, minor bridges and bus stands.

B. Previous year figures have been regrouped / reclassified wherever necessary.

Vide our report of even date attached

For P.M.M. Associates

Chartered Accountants
Firm Reg. No: 002494S

Sd/-

N. Ramaraj
Partner
Membership No: 022683

Sd/-

Kakarla Usha, IAS
Managing Director

Sd/-

Harmander Singh, IAS
Chairman

Place : Chennai
Date : 27.06.2019

(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Tamil Nadu Urban Road Infrastructure Fund)

CHENNAI MEGA CITY DEVELOPMENT FUND

Report on the Activities and Annual Accounts of Chennai Mega City Development Fund for the Financial Year 2018-19

1. Introduction

The Government vide G.O.(Ms) No.10, Municipal Administration and Water Supply (MC.1) Department, dated 27.01.2012 had launched Chennai Mega City Development Mission (CMCDM) initially for the period from 2011 to 2016 and has been relaunched from 2018-19 vide G.O.(Ms) No.66, Municipal Administration and Water Supply (MC.1) Department, dated 22.06.2018. The Government has designated Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) as the Nodal Agency for CMCDM. The Government vide G.O.(3D) No.5, Municipal Administration and Water Supply (MC.1) Department, dated 30.03.2012 have issued orders for creation of a fund in the name of Chennai Mega City Development Fund (CMCDF) along with the guidelines for operation of the fund.

2. Objectives

The fund will be used to assist Greater Chennai Corporation (GCC) and Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) for implementing various urban infrastructure and basic services projects like roads, storm water drains, street lighting, water supply and sanitation.

3. Fund management

The CMCDF is managed by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) based on the guidelines and procedures prescribed by the Government of Tamil Nadu (GoTN), from time to time. TNUIFSL acts as a fund manager of the CMCDF.

4. Fund size, sources and allocation

The Corpus for the fund will be provided through budgetary provision every year by Government of Tamil Nadu. The interest from investment and any other income earned or accruing to the Fund should form part of its Corpus and shall be applied for the objective for which the fund is created. The allocation under the scheme is fully regulated by Government of Tamil Nadu and Government has absolute domain over the funds of the schemes.

5. Eligibility Criteria

The CMCDM envisages improvement of infrastructure / basic amenities in Chennai and its Suburban areas. The funds under CMCDM are available to projects of GCC and CMWSSB only. The GCC and CMWSSB shall consider schemes which will have substantial impact on the infrastructure of the city. The projects envisaged should be executed on an integrated approach. The capital works exceeding Rs.5.00 crores will be considered for funding under CMCDM. Priority shall be given to Water Supply, Under Ground Sewerage Scheme and Bus Route Roads in the extended areas. Among culverts and Storm Water Drains, priority shall be given to the Flood Mitigation works. Any proposal for funding regular operation & maintenance works, office buildings and residential quarters will not be considered for funding under CMCDM. The eligible projects to be funded under CMCDM shall be as decided by the Project Sanctioning Committee, from time to time.

6. Procedure for application and approval of grant

The Government has constituted a Project Sanctioning Committee for approval of projects and sanctioning of grant, with the following composition:

- Principal Secretary to Government, MA&WS Department (Chairman),
- Secretary to Government (Expenditure), Finance Department (Member),
- Principal Secretary and Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited (Member),
- Commissioner, Greater Chennai Corporation (Convenor for GCC Projects) and
- Managing Director, Chennai Metropolitan Water Supply and Sewerage Board (Convenor for CMWSSB Projects)

The Nodal Agency will appraise the projects forwarded by GCC and CMWSSB and put up the proposal to the Project Sanctioning Committee for Administrative Sanction. The grant will be disbursed based on the norms prescribed by the Project Sanctioning Committee.

7. Procurement

The provisions of the Tamil Nadu Transparency in Tender Act, 1998 and Tamil Nadu Transparency in Tenders Rules, 2000 (amended up to date) shall be applicable for procurement of works, goods and services.

8. Performance

A sum of ₹ 3000.00 crores (₹ 2992.10 crores for projects and ₹ 7.90 crores for consultancy & other expenses) has been sanctioned as grant for implementation of various projects costing ₹ 3832.50 crores. A sum of ₹153.45 crores (previous year ₹128.28 crores) has been disbursed to GCC, CMWSSB and Other expenses during the financial year 2018-19. In total, a sum of ₹ 2600.00 crores has been released by Government, of which a sum of ₹ 2135.67 crores has been disbursed to GCC, CMWSSB and Other expenses up to 31.03.2019. The details are furnished below:

S.NO	Particulars	Up to 2017-18	During 2018-19	Up to 2018-19
I	Sanctioned by the Government	2500.00	500.00	3000.00
II	Released by the Government to CMCDF	2100.00	500.00	2600.00
III.	Disbursement			
1.	Greater Chennai Corporation	1215.98	120.31	1336.29
2.	Chennai Metropolitan Water Supply and Sewerage Board	762.99	33.14	796.13
3.	Consultancy payments and other expenses	2.86	0.39	3.25
	Total Disbursement	1981.83	153.84	2135.67

9. Accounts and Audit

The Annual Accounts for the financial year 2018-19 have been audited by M/s. P.M.M. Associates, Chartered Accountants, Chennai.

P. M. M. ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors,
Tamil Nadu Urban Infrastructure Financial Services Limited
(Fund Manager of Chennai Mega City Development Fund)

Opinion

We have audited the financial statements of CHENNAI MEGA CITY DEVELOPMENT FUND (the entity), the Grant Fund of Government of Tamil Nadu, which comprise the Balance Sheet as at 31st March 2019, and the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31st March 2019, and of its financial performance and it's the Receipts and Payment Account for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management (Fund Manager) is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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, management is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

P. M. M. ASSOCIATES
CHARTERED ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

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 in accordance with SAs 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.

For **P.M.M. Associates,**
Chartered Accountants
Firm No.002494S
Sd/-
(N. Ramaraj)

Place : Chennai
Date : 27-06-2019

Partner
Membership No. 022683

No. 9, State Bank Colony Extension, S2 Sailakshmi Flats, Opp. J.K.Mahal, Nanganallur, Chennai- 600 061
Ph No : 044-22243472, Mobile : 9385661152 & 9841014549 email : aramaraj11@hotmail.com

CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

BALANCE SHEET AS AT 31.03.2019

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
		(₹)	
Sources of Funds			
Grant from Government	1	464,33,95,594	118,17,59,804
Current Liabilities	2	35,632	23,600
Total		464,34,31,226	118,17,83,404
Application of Funds			
Current Assets	3		
a. Cash and Cash Equivalents		464,34,31,226	118,17,83,404
Total		464,34,31,226	118,17,83,404
Notes including Significant Accounting Policies - Note 4 to 6			

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place : Chennai

Date : 27.06.2019

**(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Chennai Mega City Development Fund)**

CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03..2019

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	(₹)	
Income		
Interest earned On Savings Bank Account	7,743	5,200
Total	7,743	5,200
Expenditure		
Management Fee	38,55,353	7,49,441
Audit Fee – Statutory Audit	23,600	23,600
Total	38,78,953	7,73,041
Excess of Income over Expenditure transferred to Grant from Government	(38,71,210)	(767,841)
Notes including Significant Accounting Policies - 4 to 6		

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For P.M.M. Associates
Chartered Accountants
Firm Reg. No: 002494S

Sd/-
N. Ramaraj
Partner
Membership No: 022683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

Place : Chennai
Date : 27.06.2019

(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Chennai Mega City Development Fund)

CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2019

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
	(₹)	
Receipts		
Grant from Government	500,00,00,000	0
Interest Receipts	7,743	5,200
Total	500,00,07,743	5,200
Payments		
Disbursements to ULBs	153,44,93,000	128,20,72,500
Management Fee	38,43,321	7,49,441
Statutory Audit Fees	23,600	13,800
Total	153,83,59,921	128,28,35,741
Surplus / (Deficit) for the year	346,16,47,822	(128,28,30,541)
Add: Opening Cash and Bank Balances	118,17,83,404	246,46,13,945
Closing Cash & Bank Balances	464,34,31,226	118,17,83,404

Vide our report of even date attached

For P.M.M. Associates
Chartered Accountants
Firm Reg. No: 002494S

Sd/-
N. Ramaraj
Partner
Membership No: 022683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

Place : Chennai
Date : 27.06.2019

(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Chennai Mega City Development Fund)

CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2019

Particulars	As at 31.03.2019	As at 31.03.2018
	(₹)	(₹)
Note-1		
Grant from Government		
Balance at the beginning of the year	118,17,59,804	246,46,00,145
Add: Grant assistance received during the year	500,00,00,000	0
	618,17,59,804	246,46,00,145
Less: Disbursement during the year	153,44,93,000	128,20,72,500
Excess of Income over Expenditure carried from Income & Expenditure Account	38,71,210	7,67,841
Total	464,33,95,594	118,17,59,804
Note-2		
Current Liabilities		
Audit Fee payable	23,600	23,600
TDS payable under GST	12,032	0
Total	35,632	23,600
Note-3		
Current Assets		
a. Cash and Cash Equivalents		
i. In Savings Account	4,00,726	1,59,904
ii. In Public Deposit Account	464,30,30,500	118,16,23,500
Total	464,34,31,226	118,17,83,404

CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2019

Note-4: Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India.

b. Revenue Recognition

Interest earned on the term deposits is recognized on a time proportion basis on the outstanding balances at the applicable rates.

c. Management fee

The Chennai Mega City Development Fund (Grant Fund of Government of Tamil Nadu) is managed by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) as prescribed by Government of Tamil Nadu vide GO.(Ms).No.10, Municipal Administration and Water Supply (MC-1) Department, dated 27.01.2012, TNUIFSL is eligible for a fee as prescribed.

d. Transfer of surplus

The balance in Income and Expenditure Account is transferred every year to the Grant from Government Account.

e. Grant from Government Account

The balance in Grant from Government Account represents grants received from the GoTN, transfer of balance from Income and Expenditure Account, disbursement of capital grant to ULBs & other eligible disbursements, if any.

CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2019

Note-5: Nature of Operation

The Chennai Mega City Development Fund is created by Government of Tamil Nadu to assist Greater Chennai Corporation and Chennai Metropolitan Water Supply and Sewerage Board for improving of infrastructure / basic amenities in expanded areas of Chennai.

Note-6: Previous year's figures have been regrouped / reclassified wherever necessary.

Vide our report of even date attached

For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place : Chennai

Date : 27.06.2019

**(Tamil Nadu Urban Infrastructure Financial
Services Limited - Fund Manager of
Chennai Mega City Development Fund)**