

Annual Report 2016 - 2017

TNUDF

TAMIL NADU URBAN DEVELOPMENT FUND

CONTENTS

Tamil Nadu Urban Development Fund

Report on Activities	1
Auditors' Report	6
Balance Sheet and Income & Expenditure Account	7

Tamil Nadu Urban Infrastructure Trustee Company Limited

Directors Report	16
Auditors' Report	28
Balance Sheet and Profit & Loss Account	32

Tamil Nadu Urban Infrastructure Financial Services Limited

Directors Report	40
Auditors' Report	56
Balance Sheet and Profit & Loss Account	62

Water and Sanitation Pooled Fund

Report on Activities	77
Auditors' Report	80
Balance Sheet and Income & Expenditure Account	81

Project Sustainability Grant Fund

Report on Activities	90
Auditors' Report	93
Balance Sheet and Income & Expenditure Account	95

Project Development Grant Fund

Report on Activities	101
Auditors' Report	104
Balance Sheet and Income & Expenditure Account	106

Tamil Nadu Urban Road Infrastructure Fund

Report on Activities	112
Auditors' Report	114
Balance Sheet and Income & Expenditure Account	116

Chennai Mega City Development Fund

Report on Activities	122
Auditors' Report	125
Balance Sheet and Income & Expenditure Account	127

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

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

Mr. M.Arvind, IAS.,
Deputy Secretary to Government,
Finance Department,
Secretariat, Fort St. George
Chennai 600 009

Mr.K.Prakash, IAS.,
Commissioner of Municipal Administration,
Chepauk,
Chennai 600 005

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

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,
Assistant 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. R.K.Kumar & Co.,
Chartered Accountants,
Chennai 600006

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

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

Mr.S.Krishnan, IAS.,
Principal Secretary to Government
Planning and Development Department
Secretariat, Fort St. George
Chennai 600 009

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

Mr.Dharmendra Pratap Yadav, IAS,
Secretary to Government,
Housing & Urban Development Department
Secretariat, Fort St. George
Chennai 600 009

Mr. R.S.Manoharan,
Deputy Secretary to Government,
Finance Department,
Secretariat, Fort St. George
Chennai 600 009

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,
Assistant 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

Indian Bank,
Clock Tower Branch,
Royapettah,
Chennai 600014

Auditors

M/s. P.M.M. Associates,
Chartered Accountants,
Chennai 600014

Registered office

No: 19,T.P.Scheme Road, Raja Street Extension,
Raja Annamalaipuram, Chennai - 600 028.
Ph: 044-24643103, 24643104, 24643105, Fax : 24613106

TAMIL NADU URBAN DEVELOPMENT FUND

Report on the activities of Tamil Nadu Urban Development Fund for the Financial Year 2016 – 2017

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 the Fund Manager viz., Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL).

4. Resources

A sum of ₹ 3452.41 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	104.27	104.27
3	Loan under World Bank assisted TNUDP III	599.06	599.06
4	Loan under World Bank assisted TNSUDP	1225.92	225.00
5	Loan under JICA assisted TNUIP	260.27	260.27
6	Loan under KfW assisted SMIF – TN-I	367.06	367.06
7	Loan under KfW assisted SMIF – TN-II-1	289.08	230.00
8	Loan under KfW assisted SMIF – TN-II-2	407.15	150.00
	Total	3452.41	2135.26

Of the above, a sum of ₹ 2135.26 crores has been availed and the balance amount will be availed based on the progress of the projects assisted by TNUDF.

5. Assistance under External Aided Projects

5.1 World Bank assisted projects

a. Tamil Nadu Urban Development Project – III (TNUDP-III) assisted by World Bank

The TNUDP-III with the assistance of World Bank launched on 19.10.2005 was completed on 31.03.2014. The objectives of TNUDP III are to develop TNUDF as financial intermediary to provide financing for infrastructure to ULBs on a sustainable basis, to provide financial assistance to implement urban infrastructure projects and strengthen urban reforms. The Government vide G.O.(Ms) No.71 Municipal Administration and Water Supply (MA2) Department dated 18.06.2014, have permitted to continue the disbursement of funds to 27 on-going sub-projects beyond 31.03.2014. A sum of ₹ 637.66 crores has been disbursed as term loan to the ULBs based on the progress of the projects under TNUDP-III as on 31.03.2017.

b. Tamil Nadu Sustainable 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 ` 311.64 crores has been disbursed as term loan to the ULBs based on the progress of the projects under TNSUDP as on 31.03.2017.

5.2 Tamil Nadu Urban Infrastructure Project (TNUIP) assisted by Japan International Co-operation Agency (JICA)

TNUIP with the assistance of JICA launched on 25th March 2008 was completed on 25.03.2016. The objective of the Project is to provide safe and reliable water supply and sewerage services in ULBs by providing long-term financial assistance to construct and improve water supply and sewerage facilities, thereby contributing to improvement of living conditions of local residents in the concerned areas. The Government vide G.O.(Ms) No.3 Municipal Administration and Water Supply (MA2) Department dated 12.01.2017, have permitted to continue the disbursement of funds to 10 on-going sub-projects beyond 25.03.2016 and up to 31.03.2018. A sum of ` 231.63 crores has been disbursed as term loan to the ULBs based on the progress of the projects under TNUIP as on 31.03.2017.

5.3. 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 ` 683.90 crores (` 371.52 crores under SMIF – TN Program, ` 150.20 crores under SMIF – TN-II-1 Program and ` 162.18 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 31.03.2017.

6. PERFORMANCE

6.1 Project Loan Approvals

During the financial year 2016-17, term loan of ` 236.96 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	4	222.99	30.84
2	Water Supply Scheme	7	671.74	114.91
3	Street Lighting Project	1	145.64	87.38
4	Bus Stands	1	4.26	3.83
	Total	13	1044.63	236.96

6.2 Project Loan Disbursements

During the financial year 2016-17, a sum of ` 359.18 crores has been disbursed as term loan as detailed below:

(` in Crores)

Sector	Loan amount disbursed	
	2016 – 2017	2015 – 2016
Sewerage & Sanitation	19.99	15.00
Water Supply	57.87	122.36
Roads, Storm Water Drains & Street Lights	281.32	8.34
Bus Stands and Office Building	0	0.14
Total	359.18	145.84

6.3 Project Loan Recovery

The entire debt service (principal and interest) dues of ` 198.03 crores from the ULBs for the financial year 2016-17 have been collected. TNUDF has achieved record 100% collection efficiency continuously for the past thirteen financial years. As on 31.03.2017, there are no non-performing assets.

7. Accounts and Audit

The Accounts for the financial year 2016-2017 have been completed and audited by M/s. P. M. M. Associates, Chartered Accountants, Chennai.

TAMIL NADU URBAN DEVELOPMENT FUND
HIGHLIGHTS OF PERFORMANCE

(' In Crores)

Particulars	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	31.3.04	31.3.03
Total Assets	2277.82	2046.03	1715.12	1604.05	1376.92	1272.84	1038.71	1001.40	687.59	673.13	531.40	492.85	477.60	554.23	794.03
Net worth	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	202.26	198.72
Total Income	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	42.18	79.06
Total Expenditure	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	23.17	54.05
Surplus before provision for contingency	-	-	-	-	-	-	-	-	17.96	18.34	15.33	8.49	7.35	19.02	25.01
Provision for Contingency	-	-	-	-	-	-	-	-	6.17	14.40	10.05	5.07	5.94	9.00	13.44
Surplus available for distribution	-	-	-	-	-	-	-	-	11.79	3.94	5.28	3.42	1.41	10.02	11.57
Surplus before tax	10.36	8.80	10.22	6.91	10.75	10.48	4.36	4.50	-	-	-	-	-	-	-
Provision for Tax- current yr	4.11	3.15	3.85	2.98	3.49	3.24	1.27	1.43	-	-	-	-	-	-	-
Provision for Tax- prior yr	(9.09)	-	9.15	-	-	-	-	-	-	-	-	-	-	-	-
Net Income / surplus after tax transferred to Capital Fund	15.34	5.65	(2.78)	3.93	7.26	7.24	3.09	3.07	-	-	-	-	-	-	-
Average Return on Loan lending %	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	11.33	13.48
Yield on Investments %	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	5.75	7.20
Cost of funds %	8.39	8.41	8.39	8.09	7.99	7.77	7.84	7.74	7.64	7.62	7.52	7.52	7.99	8.23	10.80
Loan Sanctions (Net)	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	145.24	17.73
Loan Disbursements	359.18	145.84	311.79	566.19	237.68	85.36	185.35	151.46	88.63	70.74	69.42	26.71	102.50	51.13	2.53
Recoveries (Principal + Interest)	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	22.90	74.45
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	98.80	99.81

P.M.M. ASSOCIATES
Chartered Accountants

AUDITORS' REPORT

TO THE TRUSTEES OF TAMILNADU URBAN DEVELOPMENT FUND

- 1) We have audited the accompanying financial statements of TAMILNADU URBAN DEVELOPMENT FUND (the TRUST), which comprise the Balance Sheet as at 31st March 2017, the Income & Expenditure Account and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and notes on accounts.
- 2) Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Trust in accordance with the Accounting Standards that are 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.
- 3) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing that are generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Indian Trust Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Trust as at 31st March 2017;
 - b) in the case of the Income and Expenditure Account, of the surplus of the Trust for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- 6) Further to our comments, we report that
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Trust so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Income and Expenditure Account together with notes thereon and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Income and Expenditure and Cash Flow Statement comply with the Accounting Standards generally accepted in India; and
 - e) on the basis of information received from the Trustee Company as on 31st March 2017, and taken on record by the Trustees, none of the Trustees is disqualified as on 31st March 2017, from being appointed as a Trustee in terms of applicable provisions of Indian Trust Act.

P.M.M. ASSOCIATES
Chartered Accountants

Firm Registration No: 002494S

Sd/-

N. Ramaraj

Partner

Membership No:22683

Place: Chennai

Date : 27.06.2017

Old No. 47, New No.12, Muthaiah Second Street, Royapettah, Chennai - 600 014.

TAMIL NADU URBAN DEVELOPMENT FUND
BALANCE SHEET AS AT 31st MARCH 2017

	Note No.	As at 31/03/2017	As at 31/03/2016
		(`)	
SOURCES OF FUNDS			
1 Capital Fund			
a. Contribution by Settlor	1	5,000	5,000
b. Reserves & Surplus	2	45,48,72,333	30,14,12,935
2 Other Funds			
a. Units	3	199,59,69,211	199,59,69,211
b. Loans Borrowed	4	1935,65,83,575	1718,65,34,702
3 Current Liabilities	5	97,07,79,466	97,63,12,204
TOTAL		2277,82,09,585	2046,02,34,052
APPLICATION OF FUNDS			
4 Investments	6	0	13,87,488
5 Loans Disbursed	7	1956,80,22,558	1657,17,04,021
6 Current Assets	8	321,01,87,027	388,71,42,543
7 Note including Significant Accounting Policies	11 to 13	-	-
TOTAL		2277,82,09,585	2046,02,34,052

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

For P. M. M. Associates

Chartered Accountants

Firm Registration No. 002494S

Sd/-

N. Ramaraj

Partner

Membership No. 22683

Sd/-

Kakarla Usha, IAS

Director

Tamil Nadu Urban Infrastructure Trustee Company Limited
(Trustees)

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date : 27.06.2017

TAMIL NADU URBAN DEVELOPMENT FUND

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2017

	Note No.	For the Year 2016-17	For the Year 2015-16
		(`)	
INCOME			
1 Interest on Loans Disbursed		158,74,32,116	138,23,48,249
2 Interest on Deposits & Savings Bank Accounts		8,45,67,974	10,91,20,107
3 Income from Investments		0	2,50,037
4 Other Income		57,86,744	0
TOTAL		167,77,86,834	149,17,18,393
EXPENDITURE			
5 Financial Cost	9	147,53,44,125	131,81,99,162
6 Management Fee & other Operating Expenses	10	8,67,85,729	8,08,85,057
7 Provision in respect of Loans Disbursed		1,20,33,408	45,91,595
TOTAL		157,41,63,262	140,36,75,814
8 Net income before Tax		10,36,23,572	8,80,42,579
9 Less: Provision for Income Tax			
a) Current Year			
b) Prior Year		4,10,98,710	3,14,86,360
		(9,09,34,536)	0
10 Net Income / Surplus after tax transferred to Capital Fund		15,34,59,398	5,65,56,219
11 Notes including Significant Accounting Policies	11 to 13		

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

For P. M. M. Associates

Chartered Accountants

Firm Registration No. 002494S

Sd/-

N. Ramaraj

Partner

Membership No. 22683

Sd/-

Kakarla Usha, IAS

Director

Tamil Nadu Urban Infrastructure Trustee Company Limited
(Trustees)

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date : 27.06.2017

TAMIL NADU URBAN DEVELOPMENT FUND
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

		For the Year Ended 31/03/2017	For the Year Ended 31/03/2016
		(`)	
A.	Cash flow From Operating Activities		
	Surplus before Tax	10,36,23,572	8,80,42,579
	Operating Surplus before Working Capital Changes	10,36,23,572	8,80,42,579
	Adjustments for changes in :		
	Current Assets	(45,40,79,060)	(42,30,14,519)
	Current Liabilities	4,43,03,088	(22,64,66,205)
	<i>Cash Generated from Operations</i>	(30,61,52,400)	(56,14,38,145)
	Less: Tax Paid / Tax Deducted at source	(9,11,91,461)	(5,28,97,911)
	Net Cash from / (Used in) Operating Activities	(39,73,43,861)	(61,43,36,056)
B.	Cash Flow from Investing Activities		
	Loans Disbursed (Net)	(299,63,18,537)	(114,33,07,118)
	Investment (Net)	13,87,488	22,39,349
	Net Cash used in Investing Activities	(299,49,31,049)	(114,07,67,769)
C.	Cash Flow from Financing Activities		
	Unit	0	0
	Borrowings (Net)	217,00,48,873	344,74,45,647
	Net Cash from Financing Activities	217,00,48,873	344,74,45,647
	Net (Decrease) / Increase in Cash & Cash Equivalents (A + B + C)	(122,22,26,037)	169,23,41,822
	Cash and Cash equivalents at the beginning of the Accounting Period	241,25,90,226	72,02,48,404
	Cash and Cash equivalent at the end of the Accounting Period	119,03,64,189	241,25,90,226

In terms of our report of even date attached

For P. M. M. Associates

Chartered Accountants

Firm Registration No. 002494S

Sd/-

N. Ramaraj

Partner

Membership No. 22683

Place: Chennai

Date : 27.06.2017

Sd/-

Kakarla Usha, IAS

Director

**Tamil Nadu Urban Infrastructure Trustee Company Limited
(Trustees)**

Sd/-

Harmander Singh, IAS

Chairman

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2017

Details	As at 31/03/2017	As at 31/03/2016
	(`)	
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	27,47,72,146	21,82,15,927
Add : Transfer during the year	15,34,59,398	5,65,56,219
	42,82,31,544	27,47,72,146
Total	45,48,72,333	30,14,12,935
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	928,33,56,188	805,57,08,746
2 Loans under JICA line of credit	260,27,00,000	262,42,00,000
3 Loans under KfW line of credit	747,05,27,387	650,66,25,956
Total	1935,65,83,575	1718,65,34,702

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2017

Details	As at 31/03/2017	As at 31/03/2016
	(`)	
Note- 5		
Current Liabilities		
1 Current Liabilities		
a. Expenses payable	2,27,700	2,26,709
b. Amount received in advance from borrowers	35,30,45,892	28,24,30,605
c. Other liabilities to Government of Tamil Nadu	0	8,71,838
d. Interest accrued but not due on borrowings	38,18,39,725	40,72,81,077
2 Provisions for income tax	23,56,66,149	28,55,01,975
Total	97,07,79,466	97,63,12,204
Note- 6		
Investments		
Long Term		
1 12.25% - Non Convertible Redeemable Bonds of ` 1 lakh each issued by Corporation of Madurai	0	13,87,488
Total	0	13,87,488
Note- 7		
Loans Disbursed		
1 Loans to Urban Infrastructure Projects	1964,66,08,994	1663,82,57,049
Less: Provisions	7,85,86,436	6,65,53,028
Total	1956,80,22,558	1657,17,04,021

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2017

Details	As at 31/03/2017	As at 31/03/2016
	(`)	
Note- 8		
Current Assets		
1 Cash and Cash Equivalents		
a. In Savings Bank Accounts	1,74,64,189	6,90,226
b. In Public Deposit Account	117,29,00,000	213,94,00,000
c. In Deposit Accounts	0	27,25,00,000
2 Current Investments		
a. Term Deposits with Companies	102,34,87,901	56,00,31,463
3 Other Current Assets		
a. Interest accrued on deposits and investments	3,24,73,244	2,05,61,146
b. Interest accrued on Public Deposit Account	0	9,11,09,918
c. Interest accrued on loans disbursed	45,31,16,568	38,32,96,126
d. Income Tax Paid under protest (Net)	3,35,42,608	3,35,42,608
e. Income tax paid in Advance / Tax Deducted at Source	47,72,02,517	38,60,11,056
Total	321,01,87,027	388,71,42,543

Details	For the Year 2016-17	For the Year 2015-16
Note- 9		
Financial Cost		
1 Interest on Units	16,56,65,445	16,46,67,460
2 Interest on loans borrowed	130,96,78,680	115,35,31,702
Total	147,53,44,125	131,81,99,162
Note- 10		
Management Fee & Other Operating Expenses		
1 Management Fees	5,99,71,754	5,81,29,136
2 Front End Fees on loans borrowed	2,50,00,000	2,18,82,000
3 Auditors' Remuneration		
- Audit	1,56,000	1,54,575
- Tax Audit	17,250	17,175
4 Other Expenses	16,40,725	7,02,171
Total	8,67,85,729	8,08,85,057

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2017

Note – 11 - 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 2017

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 – 12 - 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 2017

c. Loans Disbursed and Provisioning Norms thereof

The loans disbursed by the Trust are unsecured in nature. The 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.

Provision for all Standard Loans, Non-Performing Loans and Interest and Penal Interest outstanding with respect to Non-Performing Loans as at the end of the year is based on the RBI guidelines prescribed for Income Recognition, Asset Classification and Provisioning norms as applicable to All-India Financial Institutions in India as at the end of each financial period.

d. Capital commitments, contingent liabilities and others:

- i) Term loans pending disbursement against sanction for which funds have been received from the Government is ` 18.08 crores (as on 31st March 2016 is ` 129.41 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. The appeals filed with ITAT has been allowed in favour of TNUDF for the Assessment Years 2008-09 and 2009-10. 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 2014-15 the Trust has gone on appeals for the disallowances made by the AO. The contingent liability for the said AYs is ` 30,68,64,164/- (tax demanded is ` 43,08,85,826/- and the provision for tax made is ` 12,40,21,662/-).

e. Expenditure and earnings in Foreign Currency:

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

Note – 13 - Previous year's figures have been regrouped wherever necessary.

For P. M. M. Associates
Chartered Accountants
Firm Registration No. 002494S

Sd/-
N. Ramaraj
Partner
Membership No. 22683
Place: Chennai
Date : 27.06.2017

Sd/- Kakarla Usha, IAS Director	Sd/- Harmander Singh, IAS Chairman
Tamil Nadu Urban Infrastructure Trustee Company Limited (Trustees)	

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 20th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017

1 FINANCIAL SUMMARY

Amount in Lakhs

Particulars	2016-17	2015-16
Total Income	0.77	0.93
Total Expenditure	0.70	0.80
Net Profit before tax	0.07	0.13
Net Profit after tax	0.06	0.09
Net Worth	10.88	10.82

2 DIVIDEND

No Dividend was declared for the current financial year.

3 TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Nil.

4 REVIEW OF BUSINESS OPERATIONS 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.

5 MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

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

6 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 2016-17.

7 STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

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

8 DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

9 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

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

10 PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE 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.

11 EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company. However, due to increased secretarial compliance in view of the implementation of the Companies Act, 2013, your Company engaged the services of a Company Secretary in practice to conduct the secretarial audit and a report is attached as Annexure to this Report.

12 COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

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

13 ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished as Annexure to this Report.

14 NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has conducted four meetings of the Board of Directors during the financial year 2016-17. 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	Total No. of Directors attended
1.	21.06.2016	9	8
2.	26.09.2016	9	6
3.	22.12.2016	9	6
4.	30.03.2017	9	6

15 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, 2017, 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, 2017 and of the profit and loss of the Company for the financial year ended 31st March, 2017;
- 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.

16 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

17 DEPOSITS

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

18 DIRECTORS

During the financial year 2016-17, Mr.Prashant M.Wadnere, IAS has been appointed as Director in the place of Mr.K.Shanmugam, IAS. Mr.Thallam Sreekumar has been appointed as Director in the place of Mr.S.P.Chidambaram. Mr. Ahamed Zackaria has been appointed as Director in the place of Mr.Jita Mitra. Mr.R.S.Manoharan has been appointed as Director in the place of Mr.Prashat M.Wadnere, IAS. Mr.G.Vetrivel has been appointed as Director in the place of Mr.Ahamed Zackaria.

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.L.Krishnan and Mr.Mathew Joseph are retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

19 DECLARATION OF INDEPENDENT DIRECTORS

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

20 ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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.

21 STATUTORY AUDITORS

M/s. P.M.M Associates, Chartered Accountants, Chennai (firm registration number 002494S) have completed the five years from the financial year 2012-13 to 2016-17 as Statutory Auditors of the Company.

The Board recommend the appointment of M/s. Ponraj & Co., Chartered Accountants, Chennai (firm registration number 002672S) as Statutory Auditors for a period of five years commencing from the financial year 2017-18, on a remuneration of Rs.20,000/- (plus service tax / GST as applicable) per annum.

M/s. Ponraj & Co., Chartered Accountants, Chennai have informed the Company that their appointment if made would be in accordance with the provisions of Sections 139 and 141 of the Companies Act, 2013.

22 DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING 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.

23 SHARES

During the year under review, the Company has undertaken following transactions:

Increase in Share Capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan
Nil	Nil	Nil	Nil	Nil

24 DETAILS OF 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.

25 ACKNOWLEDGEMENTS

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, Department of Tourism, Department of Fisheries, 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

For And On Behalf Of The Board Of Directors

Sd/-

Place: Chennai

Harmander Singh, IAS

Date : 27.06.2017

Chairman

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
Company (Management & Administration) Rules, 2014.

I 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. | No |

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 Service	9971	100%
2			
3			
4			

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

- Not Applicable

SI 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		700	700	0.70%		700	700	0.70%	0	
b) Central Govt. or State Govt.		49,000	49,000	48.66%		49000	49000	48.66%	0	
c) Bodies Corporates										
d) Bank/FI		51000	51000	50.65%		51000	51000	50.65%	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) Individual's 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	0	
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)		100700	100700	100%		100700	100700	100%	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 en numbered 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. K.PHANINDRA REDDY	100	0.10%	0%	100	0.10%	0%	0%
6	MR.M.ARVIND	100	0.10%	0%	100	0.10%	0%	0%
7	MR.G.PRAKASH	100	0.10%	0%	100	0.10%	0%	0%
8	Mr.P.W.C.DAVIDAR	100	0.10%	0%	100	0.10%	0%	0%
9	Mr.THALLAM SREEKUMAR	100	0.10%	0%	100	0.10%	0%	0%
10	Mr.G.VETRIVEL	100	0.10%	0%	100	0.10%	0%	0%
11	MR.L.KRISHNAN	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)

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	-	-	-	-
	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	-	-	-	-

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

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
2	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)	-	-	-	-
3	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors & KMP

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding 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	0	0.07%	700	0.001%
	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	0	0.07%	700	0.001%

DIRECTORS SHAREHOLDING

1	MR. K.PHANINDRA REDDY	100
2	MR.R.MANOCHARAN	100
3	MR.S.KRISHNAN	100
4	MR.DHARMENDRA PRATAP YADAV	100
5	MR.THALLAM SREEKUMAR	100
6	MR.G.VERTIVEL	100
7	MR.L.KRISHNAN	100
	Total	700

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/WTM/Manager				Total Amount	
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	0	0
	Ceiling as per the Act						

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount	
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	0	0
	Overall Ceiling as per the Act.					

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		CEO	Company Secretary	CFO	Total	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.			0	0	0
	(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

CIN: U65991IN1996PLC036886

To

The Members

M/S TAMILNADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

No. 19, T.P Schema Road,

Raja Street Extension,

Raja Annamalaiapuram,

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, 2017. 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) are not applicable to this company.
4. The Board of Directors duly met 4 times 21-06-2016, 26-09-2016, 22-12-2016 and 30-03-2017 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, 2016 was held on 26th September 2016, 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 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.
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 .
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 : 27.06.2017

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:-

Forms filed by the Company:

1. Form MGT - 14 filed on 16/07/2016 - SRN G07454051
2. Form DIR - 12 filed on 16/07/2016 - SRN G07454614
3. Form DIR - 12 filed on 16/07/2016 - SRN G07450216
4. Form ADT - 1 filed on 06/10/2016 - SRN G13706031
5. Form DIR - 12 filed on 13/10/2016 - SRN G14558449
6. Form DIR - 12 filed on 13/10/2016 - SRN G14561476
7. Form DIR - 12 filed on 15/10/2016 - SRN G15075609
8. Form AOC - 4 filed on 20/10/2016 - SRN G16019002
9. Form MGT - 7 filed on 01/11/2016 - SRN G19303726
10. Form DIR - 12 filed on 06/01/2017 - SRN G32257735
11. Form DIR - 12 filed on 04/05/2017 - SRN G42829093

P.M.M. ASSOCIATES

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the members of Tamil Nadu Urban Infrastructure Trustee Company Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Tamil Nadu Urban Infrastructure Trustee Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017 and the Statement of Profit and Loss for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 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 and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ('the Rules').

This responsibility also includes 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 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

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 2017, and its profit for the year ended on that date.

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 exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in 'Annexure A' statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of Section 143 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules.
 - e. On the basis of the written representations received from the Directors as on 31 March 2017 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2017 from being appointed as a Director in terms of sub-section 2 of Section 164 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 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.
 - iv. The Company has provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note, 12 of the financial statements.

For P.M.M. ASSOCIATES
Chartered Accountants
FRN - 002494s
Sd/-
(N. Ramaraj)
Partner
Membership number: 022683

Place: Chennai
Date : 27.06.2017

Old No.47, New No.12, Mulhiah Second Street, Royapettah, Chennai - 600 014.

P.M.M. ASSOCIATES

CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditor's Report - 31 March 2017

- i. 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 any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- 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. According to the information and explanations given to us, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Thus, clause 3 (vii a) of the Order are not applicable to 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.
- 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. 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.
- 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 the year under review. Accordingly, the provision of clause 3(xiv) of the order re not applicable to the company.
- xv. Accordingly to the information and explanation given to us based on our examination of the records of the company, the company has not entered into non-cash transaction with directors or person connected with him /her. Accordingly, the provision with direction or perso connected with him/her. Accordingly, the provision of paragraph 3(xv) are not applicable to the company.
- xvi. The company is not required to be registered under section 45 – I A of the reserve bank of India act , 1934.

Place: Chennai
Date : 27.06.2017

For P.M.M. ASSOCIATES
Chartered Accountants
FRN – 002494s
Sd/-
(N. Ramaraj)
partner
Membership number: 022683

Old No.47, New No.12, Muthiah Second Street, Royapettah, Chennai – 600 014.

P.M.M. ASSOCIATES
CHARTERED ACCOUNTANTS

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 2017 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

Because 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 2017, 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 P.M.M. ASSOCIATES

Chartered Accountants

FRN – 002494S

Sd/-

(N. Ramara)

Partner

Membership number: 022683

Place: Chennai

Date: 27.06.2017

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 2017

Particulars	Note No.	As at 31.03.2017	As at 31.03.2017
		(`)	
I. EQUITY AND LIABILITY			
Shareholders' Funds			
a. Share Capital	3	10,07,000	10,07,000
b. Reserves & Surplus	4	81,335	74,967
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	13,800	13,800
c. Short Term Provisions		0	0
Total		11,02,135	10,95,767
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	50,000	0
b. Inventories		0	0
c. Trade Receivables		0	0
d. Cash and Bank Balance	7	9,62,692	10,00,213
e. Short Term Loans and Advances		0	0
f. Other Current Assets	8	89,443	95,554
Total		11,02,135	10,95,767
Notes including Significant Accounting Policies	1 to 13		

The Notes referred to above form an integral para of the financial Statements

As per our report of even date

For P. M. M. Associates

Chartered Accountants

Firm Registration No. 002494S

Sd/-

N. Ramaraj

Partner

Membership No. 22683

Place : chennai

Date : 27.06.2017

for and on behalf of the Board of Directors

Sd/-

Kakarla Usha, IAS

Director

Sd/-

Harmander Singh, IAS

Chairman

Tamil Nadu Urban Infrastructure Trustee Company Limited
(Trustees)

TAMILNADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED
Registered Office: No.19, T.P. Scheme Road, Raja Street Ext., R.A.Puram, Chennai - 600028
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note No.	For the Year ended 31.03.2017	For the Year ended 31.03.2016
		(`)	
I. Revenue from Operations	9	0	0
II. Other Income		77,318	93,356
III. Total Revenue (I+II)		77,318	93,356
IV. Expenses	10		
Employee Benefits		0	0
Finance Cost		0	0
Depreciation and amortization Expenses		0	0
Other Expenses		69,850	80,780
Total Expenses		69,850	80,780
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		7,468	12,576
VI. Exceptional Items		0	0
VII. Profit Before Extraordinary Items and Tax (V - VI)		7,468	12,576
VIII. Extraordinary Items		0	0
IX. Profit Before Tax (VII - VIII)		7,468	12,576
X. Tax Expense			
1. Current Tax		2,250	3,950
2. Prior Years Tax		(1,150)	(2)
3. Deferred Tax		0	0
XI. Profit for the year from continuing operations (IX - X)		6,368	8,628
XII. Earnings Per Share (Basic & Diluted)	11.3	0.06	0.09
Notes including Significant Accounting Policies	1 to 13		

The Notes referred to above form an integral para of the financial Statements

As per our report of even date

For P. M. M. Associates

Chartered Accountants

Firm Registration No. 002494S

Sd/-

N. Ramaraj

Partner

Membership No. 22683

Place : chennai

Date : 27.06.2017

for and on behalf of the Board of Directors

Sd/-

Kakarla Usha, IAS

Director

Sd/-

Harmander Singh, IAS

Chairman

**Tamil Nadu Urban Infrastructure Trustee Company Limited
(Trustees)**

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31st March 2017

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.

(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) 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 2017

Note 3: Share Capital

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	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, 2017			
- 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, 2016			
- 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

Class of shares / Name of shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	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	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 2017

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	(₹)	(₹)
Note 4: Reserves and Surplus		
(a) General reserve	0	0
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	74,967	66,339
Add: Profit / (Loss) for the year	6,368	8,628
Total	81,335	74,967
Note 5: Other Current Liabilities		
Other payables		
(i) Statutory remittances	0	0
(ii) Contractually reimbursable expenses	13,800	13,800
Total	13,800	13,800
Note 6: Current Investment		
Deposit with Companies	50,000	0
Total	50,000	0

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

Note 7: Cash and Bank Balances

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	(₹)	(₹)
(A) Cash and Cash Equivalents		
(a) Cash on hand	0	0
(b) Balances with bank		
(i) In current account	12,692	51,701
(ii) Cash Credit Account	0	0
(iii) Deposit with original maturity of less than 3 months	0	0
Total – A	12,692	51,701
(B) Other bank balances		
(a) Deposit with original maturity for more than 3 months but Less than 12 months	9,50,000	9,48,512
(b) Unpaid dividend	0	0
(c) Cheques on hand	0	0
Total – B	9,50,000	9,48,512
Total – (A+B)	9,62,692	10,00,213
Note 8: Other Current Assets		
(a) Accruals		
(i) Interest accrued on deposits	59,600	67,562
(ii) Interest accrued on investments	0	0
(b) Others		
(i) Advance tax and TDS (net of provisions)	29,843	27,992
(ii) Term Deposits with Companies	0	0
Total	89,443	95,554
Note 9: Other income		
(a) Interest income		
On Investments(Tax-free)	0	0
On Term Deposits	77,153	93,171
(b) Other non-operating income		
Miscellaneous Income	165	185
Total	77,318	93,356

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

Note 10: Other Expenses		
Administrative expenses	36,000	51,000
Printing and stationery	0	0
Filing Fees	5,600	5,900
Legal and professional	14,450	8,400
Payments to auditors: Statutory Audit Fees	13,800	15,480
Office Expenses	0	0
Bank Charges	0	0
Total	69,850	80,780

Note 11: Additional Information to the Financial Statements

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	(`)	
11.1 Contingent liabilities and commitments (to the extent not provided for)	0	0
11.2 Amount due to MSME Units	0	0
11.3 Earnings per share		
Profit After Tax	6,368	8,628
Number of Equity Shares	1,00,700	1,00,700
Earnings per share		
Basic	0.06	0.09
Diluted	0.06	0.09

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31st March 2017

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

11.5 Expenditure/Earnings in foreign currency

The company has no earnings and expenditure in foreign exchange during the year. Previous Year (NIL)

Note 12: Disclosure on Specified Bank Notes (SBNs)

As per MCA Notification No. G.S.R. 308(E) dated 30th March 2017, every company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016. Accordingly, the following details are furnished:

Particulars	Specified Bank Notes (₹)	Other Denomination Notes (₹)	Total (₹)
Closing Cash In hand as on 08.11.2016	0	0	0
(+) Permitted receipts	0	0	0
(-) Permitted Payments	0	0	0
(-) Amount Deposited in Bank	0	0	0
Closing Cash in hand as on 30.12.2016	0	0	0

(For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November 2016.)

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 P. M. M. Associates

Chartered Accountants

Firm Registration No. 002494S

Sd/-

N. Ramaraj

Partner

Membership No. 22683

Place: Chennai

Date: 27.06.2017

Sd/-

Kakarla Usha, IAS

Director

DIN No : 07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No : 03291250

Tamil Nadu Urban Infrastructure Trustee Company Limited
(Trustees)

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 20th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

1 FINANCIAL SUMMARY

Particulars	2016-17	2015-16
	(Amount Rs. in lakhs)	
Income	1044.24	1085.40
Expenses	508.05	539.23
Profit or Loss before Tax	536.19	546.17
Less: Current Tax	182.89	184.14
Prior Year Tax	(2.96)	0
Deferred Tax	0.02	(10.23)
Profit After Tax	356.24	372.26
Add: Balance as per last Balance Sheet	2251.67	1952.95
Less: Transfer to General Reserve	35.63	37.30
Less: Proposed Dividend	0	30.02
Less: Tax on Dividend	0	6.22
Surplus carried to Balance Sheet	2572.28	2251.67
Net Profit on Income (%)	34.11	34.30
Return on Net Worth (%)	11.84	14.03
Earnings Per Share (%)	35.60	37.20

2 DIVIDEND

Considering the net profit during the current financial year, it is proposed to declare dividend @ 30% on paid up equity share capital for the financial year ended 31.3.2017. The dividend (` 30.02 lakhs) and dividend tax (` 6.11 lakhs) absorbs a sum of ` 36.13 lakhs.

3 TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Nil.

4 TRANSFER OF RESERVES

The Company proposes to transfer a sum of Rs.35.63 lakhs to General Reserve during the financial year ended 31st March 2017.

5 REVIEW OF BUSINESS OPERATIONS 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. There was no change in the nature of business of company.

6 MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

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

7 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 2016-17.

8 STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

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

9 DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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. The Companies specified in the said rules are required to spend at least 2% of the average net profits of their three immediately preceding financial years on CSR related activities.

As part of CSR initiatives, environmental education for sustainable development programs has been conducted for the benefit school children and teachers. As per the above said rules, the Company was required to spend Rs.9.20 lakhs towards CSR activities for the financial year 2016-17.

However, a sum of Rs.9.30 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

10 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

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

11 PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE 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.

12 EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

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, due to increased secretarial compliance in view of the implementation of the Companies Act, 2013, your Company engaged the services of a Company Secretary in practice to conduct the secretarial audit and a report is attached as Annexure to this Report.

13 COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

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

14 EXTRACT OF THE ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished as Annexure to this Report.

15 NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has conducted six 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	Total No. of Directors attended
1.	09.05.2016	9	7
2.	21.06.2016	9	6
3.	01.08.2016	9	8
4.	26.09.2016	9	7
5.	22.12.2016	9	5
6.	30.03.2017	9	7

16 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, 2017, 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, 2017 and of the profit and loss of the Company for the financial year ended 31st March, 2017;
- 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.

17 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

18 DEPOSITS

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

19 DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

During the financial year 2016-17, Mr. K.Phanindra Reddy, IAS, has been appointed as Chairman and Managing Director in the place of Mrs.Kakarla Usha, IAS. Mr.Thallam Sreekumar has been appointed as Director in the place of Mr.Senthil Raj. Mr. Ahamed Zackaria has been appointed as Director in the place of Mr.JitaMitra. Mr.Prashat M.Wadnere,IAS has been appointed as Director in the place of Mr.T.Udhayachandran, IAS. Mr.P.W.C. Davidar, IAS, has been appointed as Director in the place of Dr.S.Swarna, IAS. Mrs.Kakarla Usha, IAS has been appointed as Managing Director in the place of Mr. K.Phanindra Reddy, IAS and he continues to function a Chairman. Mr. M.Arvind, IAS has been appointed as Director in the place of Mr.Prashat M.Wadnere, IAS. Mr.G.Vetrivel has been appointed as Director in the place of Mr. Ahamed Zackaria.

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.L.Krishnan and Mr. Mathew Joseph are to retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

20 DECLARATION OF INDEPENDENT DIRECTORS

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

21 ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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.

22 STATUTORY AUDITORS

M/s. R.K.Kumar & Co., Chartered Accountants, Chennai (firm registration number 001595S) have completed the five years from the financial year 2012-13 to 2016-17 as Statutory Auditors of the Company.

The Board recommend the appointment of M/s. Ponraj & Co., Chartered Accountants, Chennai (firm registration number 002672S) as Statutory Auditors for a period of five years commencing from the financial year 2017-18, on a remuneration of Rs.80,000/- (plus service tax / GST as applicable) per annum.

M/s. Ponraj & Co., Chartered Accountants, Chennai have informed the Company that their appointment if made would be in accordance with the provisions of Sections 139 and 141 of the Companies Act, 2013.

23 DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING 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.

24 SHARES

During the year under review, the Company has undertaken following transactions:

Increase in Share Capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan
Nil	Nil	Nil	Nil	Nil

25 DETAILS OF 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.

26 ACKNOWLEDGEMENTS

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, Department of Tourism, Department of Fisheries, 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.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Chennai
Date: 27.06.2017

Sd/-
Harmander Singh, IAS
Chairman

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U67190TN1996PLC036865
ii	Registration Date	07.11.1996
	Name of the Company	Tamil Nadu Urban Infrastructure Financial Services Limited
iii		
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.	No

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 Service	9971	100%
2			
3			
4			

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

- Not Applicable

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

IV SHARE HOLDING 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.		490,400	490,400	49.01%		490400	490400	49.01%	0	
c) Bodies Corporate										
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	100070	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) Individual's 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	0	
Total Public Shareholding (B)= (B)(1)+(B)(2)		0	0	0	0	0	0	0	0	
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)		1000700	100070	100%		1000700	1000700	100%	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. K.PHANINDRA REDDY	100	0.01%	0%	100	0.01%	0%	0%
6	MR.M.ARVIND	100	0.01%	0%	100	0.01%	0%	0%
7	MR.G.PRAKASH	100	0.01%	0%	100	0.01%	0%	0%
8	Mr.P.W.C.DAVIDAR	100	0.01%	0%	100	0.01%	0%	0%
9	Mr.THALLAM SREEKUMAR	100	0.01%	0%	100	0.01%	0%	0%
10	Mr.G.VETRIVEL	100	0.01%	0%	100	0.01%	0%	0%
11	MR.L.KRISHNAN	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	-	-	-	-
	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	-	-	-	-

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding 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	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	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding 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				
	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)	0	0.00%	0	0.00%
	At the end of the year				

DIRECTORS SHAREHOLDING

MR. K. PHANINDRA REDDY	100
MR. M. ARVIND	100
MR. G. PRAKASH	100
MR. P.W.C. DAVIDAR	100
MR. THALLAM SREEKUMAR	100
MR. L. VETRIVEL	100
MR. L. KRISHNAN	100
Total	700

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)	-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	K.Phanindra Reddy, Chairman	Kakarla Usha, MD
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1876066	2649926
	(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. 1961.		
2	Stock option		
3	Sweat Equity		
4	Commission		
	as % of profit		
	others (specify)		
5	Others, please specify		
	Total (A)	1876066	2649926
	Celling as per the Act	3,918,686	

B. REMUNERATION TO OTHER DIRECTORS:

Sl.No	Particulars of Remuneration	Name of the Directors		
1	Independent Directors	0	0	0
	(a) Fee for attending board committee meetings			
	(b) Commission			
	(c) Others, please specify			
	Total (1)	0	0	0
2	Other Non Executive Directors			
	(a) Fee for attending board committee meetings			
	(b) Commission			
	(c) Others, please specify.			
	Total (2)	0	0	0
	Total (B)=(1+2)	0	0	0
	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	Total
1	Gross Salary	Company Secretary	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	4161836	4161836
	(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	4161836	4161836

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 2016-17

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

The objective of 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 86th Meeting held on 26.09.2016 comprising of three Directors viz., Mr.K.Phanindra Reddy, IAS, Principal Secretary to Government, Mr. P.W.C. Davidar, IAS, Chairman and Managing Director, TUFIDCO and Mr. Thallam Sreekumar, ICICI Nominee.

iii. CSR Budget

As per provisions of the Companies Act 2013, the Company has to spend at least 2% of the average net profits of the company made during the three immediately preceding financial years, if the net profit of the company is Rs. 5 crores or more (or) net worth of Rs.500 crores or more, (or) a turnover of Rs.1000 crore or more during any financial year on CSR related activities.

As per the above said rules, the Company was required to spend Rs.9.20 lakhs towards CSR activities for the financial year 2016-17, on activities specified in Schedule VII of the Companies Act, 2013. The Board of the Company has approved budget of Rs.10.00 lakhs for the financial year 2016-17 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 45 education programs during the financial year 2016-17. 4073 (1840 boys, 1976 girls) students and 257 teachers were participated and benefitted through these education programs. During the financial year 2016-17, a sum of Rs. 9.30 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. 9.30 lakhs	Rs.9.30 lakhs

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

For and on behalf of the Board of Directors

Place: Chennai
Date: 27.06.2017

Sd/-
Harmander Singh, IAS
Chairman

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

22-E, Sri Subah Colony,
Munuswamy Road, K.K. Nagar,
Chennai - 600 078.
Ph: 23661875, 9381035900
murugantmp@yahoo.co.in

COMPLIANCE CERTIFICATE

CIN: U67190TN1996PLC036865

To

The Members

M/S. TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

No. 19, I.P Scheme Road,

Raja Street Extension

Raja Annamalaiapuram,

Chennai - 600025

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 2017. 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 6 times on 09-05-2016, 21-06-2016, 01-08-2016, 26-09-2016, 22-12-2016 and 30-03-2017 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, 2016 was held on 26th September 2016 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 30th March 2017
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. The Company has appointed Managing Director during the financial year under review and have duly complied with the requirements of the Act
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.

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 not altered the Articles of Association during the financial year.
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 : 27.06.2017

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: Forms filed by the Company

7. DIR 12 - Filed on 25.05.2016 - SRN No. G04019196
8. DIR 12 - Filed on 25.05.2016 - SRN No. G04017638
9. MR 1 - Filed on 25.05.2016 - SRN No. G04001913
10. MGT14 - Filed on 25.05.2016 - SRN No. G04007589
11. MGT14 - Filed on 16.07.2016 - SRN No. G07445703
12. DIR12-Filed on 16.07.2016 - SRN No. G07446339
13. DIR12-Filed on 20.08.2016 - SRN No. G09586165
14. MR1-Filed on 20.08.2016 - SRN No. G09584814
15. MGT14 - Filed on 20.08.2016 - SRN No. G09585555
16. ADT-1 filed on 06.10.2016 - SRN No. G13699665
17. DIR-12 filed on 13.10.2016 - SRN No. G14552335
18. MGT-14 filed on 13.10.2016 - SRN No. G14553697
19. DIR-12 filed on 13.10.2016 - SRN No. G14555551
20. AOC-4 filed on 20.10.2016 - SRN No. G15967821
21. MGT-7 filed on 31.10.2016 - SRN No. G19208818
22. DIR12 filed on 06.01.2017 - SRN No. G32257503
23. DIR12 filed on 04.05.2017 - SRN No. G4282852

R.K. Kumar & Co
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
To the members of Tamil Nadu Urban Infrastructure Financial Services Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Tamil Nadu Urban Infrastructure Financial Services Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules").

This responsibility also includes 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 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

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 2017, and its profit and its cash flows for the year ended on that date.

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 exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in 'Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of Section 143 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules.
 - e. On the basis of the written representations received from the Directors as on 31 March 2017 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2017 from being appointed as a Director in terms of sub section 2 of Section 164 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 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.
 - iv. The Company has provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note. 21 of the financial statements.

For R.K. Kumar & co.,
Chartered Accountants
FRN : 001595S

Sd/-

G.Naganthan

partner

Membership No : 022456

Place: Chennai

Date: 27.06.2017

R.K. Kumar & Co
Chartered Accountants

II FLOOR, CONGRESS BUILDING, 573, MOUNT ROAD, CHENNAI – 600 006.

TEL: 24349866, 24349867

Annexure A to the Independent Auditor's Report - 31 March 2017 - (Referred to in our report of even date)

- i. 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 financial statements and according to the information and explanations given by the management, the company does not own any immovable property.
- ii. The Company has been incorporated with the main objective of providing fund and other management services to Tamil Nadu Urban Development Fund, Water and Sanitation Pooled Fund and various Government Grant Funds. Accordingly, it does not hold inventories. Thus, 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 orders 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 any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- 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. According to the information and explanations given to us, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Thus, clause 3 (vii a) of the order are not applicable to 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.
- 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.

R.K. Kumar & Co

Chartered Accountants

II FLOOR, CONGRESSBUILDING, 573, MOUNT ROAD, CHENNAI – 600 006.

E-mail : rkkco@dataone.in

TEL: 24349866, 24349867

- 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. 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 to the Act.
- 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 R.K. Kumar & co.,
Chartered Accountants
FRN : 001595S

Sd/-

G. Naganathan

partner

Membership No : 022456

Place: Chennai

Date: 27.06.2017

R.K. Kumar & Co

Chartered Accountants

II FLOOR, CONGRESSBUILDING, 573, MOUNT ROAD, CHENNAI – 600 006.

E-mail : rkkco@dataone.in

TEL: 24349866, 24349867

Annexure B to the Independent Auditor's Report 31 March 2017 - (Referred to in our report of even date)

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 2017 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 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 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.

R.K. Kumar & Co

Chartered Accountants

11 FLOOR, CONGRESS BUILDING, 573, MOUNT ROAD, CHENNAI – 600 006.

E-mail : rkkco@dataone.in

TEL: 24349866, 24349867

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

Because 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 2017, 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 R.K. Kumar & co.,
Chartered Accountants
FRN : 001595S

Sd/-

G.Nagathan
partner

Place: Chennai

Date: 27.06.2017

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 2017

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
		(₹)	
I. EQUITY AND LIABILITY			
Shareholders' Funds			
a. Share Capital	3	1,00,07,000	1,00,07,000
b. Reserves & Surplus	4	29,09,46,122	25,53,21,707
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	82,10,164	68,42,791
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	65,34,839	59,36,272
c. Short Term Provisions	7	3,27,918	38,89,993
Total		31,60,26,043	28,19,97,763
II. ASSETS			
1. Non Current Assets			
a. Fixed Assets			
i. Tangible Assets	8	32,23,100	44,19,448
ii. Intangible Assets		0	0
iii. Capital work in progress		0	0
b. Non Current Investments	9	2,55,20,000	3,19,00,000
c. Deferred Tax Asset	19.7	34,06,690	34,08,442
d. Long term Loans and Advances		0	0
e. Other Non-current Assets		0	0
2. Current Assets			
a. Current Investments	10	21,02,80,438	20,22,22,475
b. Inventories		0	0
c. Trade Receivables	11	27,000	7,47,317
d. Cash and Bank Balance	12	4,24,54,626	2,40,78,240
e. Short Term Loans and Advances	13	7,64,002	10,24,525
f. Other Current Assets	14	3,03,50,187	1,41,97,316
Total		31,60,26,043	28,19,97,763
Notes including Significant Accounting Policies	1 to 22		

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

As per our report of even date

For R.K.Kumar & Co

Chartered Accountants

Firm Reg. No. 001595S

Sd/-

G. Naganathan

Partner

Membership No. 022456

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

Sd/-

A. Jayaraman

Senior Vice President & Company Secretary

Place: Chennai

Date: 27.06.2017

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note No.	For the Year ended 31.03.2017	For the Year ended 31.03.2016
		(₹)	
I. Revenue from Operations	15	7,93,39,865	8,67,31,729
II. Other Income	16	2,50,83,690	2,18,08,704
III. Total Revenue (I+II)		10,44,23,555	10,85,40,433
IV. Expenses			
Employee Benefits	17	3,66,29,705	3,24,03,581
Finance Cost		0	0
Depreciation and amortization Expenses	8	22,87,481	25,16,337
Other Expenses	18	1,18,87,449	1,90,03,088
Total Expenses		5,08,04,635	5,39,23,006
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		5,36,18,920	5,46,17,427
VI. Exceptional Items		0	0
VII. Profit Before Extraordinary Items and Tax (V - VI)		5,36,18,920	5,46,17,427
VIII. Extraordinary Items		0	0
IX. Profit Before Tax (VII - VIII)		5,36,18,920	5,46,17,427
X. Tax Expense			
1. Current Tax		1,82,89,000	1,84,14,000
2. Prior Years Tax		(2,96,247)	0
3. Deferred Tax		1,752	(10,22,989)
XI. Profit for the year from continuing operations (IX-X)		3,56,24,415	3,72,26,416
XII. Earnings Per Share (Basic & Diluted)	19.6	35.60	37.20
Notes including Significant Accounting Policies	1 to 22		

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

As per our report of even date

For R.K.Kumar & Co

Chartered Accountants

Firm Reg. No. 001595S

For and on behalf of the Board of Directors

Sd/-

G. Naganathan

Partner

Membership No. 022456

Sd/-

Kakarla Usha, IAS

Director

DIN No : 07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No : 03291250

Sd/-

A. Jayaraman

Senior Vice President & Company Secretary

Place: Chennai

Date: 27.06.2017

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
		(₹)	
A.	Cash flow From Operating Activities		
	Profit before Tax	5,36,18,920	5,46,17,427
	Add: Depreciation	22,87,481	25,16,337
	Loss / (Profit) on sale of Fixed Assets	5,226	(4,75,365)
	Less: Interest Received	(2,48,91,073)	(2,12,56,645)
	Operating Profit before Working Capital Changes	3,10,20,554	3,54,01,754
	Adjustments for		
	(Increase) / Decrease in Current Assets	54,49,666	(3,40,175)
	Increase / (Decrease) in Current Liabilities	(1,59,75,631)	27,25,013
	Cash Generated from Operations	2,04,94,589	3,77,86,592
	Less: Income Tax paid	(2,06,21,697)	(1,99,34,362)
	Net Cash from Operating Activities (A)	(1,27,108)	1,78,52,230
B.	Cash flow from Investing Activities		
	Interest Received	2,48,91,073	2,12,56,645
	Sale of Assets	8,445	6,30,201
	Purchase of assets	(11,04,804)	(19,15,364)
	Less: Increase in Deposits and Loans & Advances	(16,77,963)	(2,73,79,867)
	Net Cash From Investing Activities (B)	2,21,16,751	(74,08,385)
C.	Cash Flow from Financing Activities		
	Dividend & Dividend Tax Paid	(36,13,257)	(36,13,257)
	Net Cash from Financing Activities (C)	(36,13,257)	(36,13,257)
D.	Net Increase in Cash and Cash Equivalents (A+B+C)	1,83,76,386	68,30,588
	Cash and Cash equivalents at the beginning of the Accounting period	2,40,78,240	1,72,47,652
	Cash and Cash equivalent at the end of the Accounting period	4,24,54,626	2,40,78,240
	Notes including Significant Accounting Policies 1 to 22		

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

As per our report of even date

For **R.K.Kumar & Co**

Chartered Accountants

Firm Reg. No. 001595S

For and on behalf of the Board of Directors

Sd/-

G. Naganathan

Partner

Membership No. 022456

Sd/-

Kakarla Usha, IAS

Director

DIN No : 07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No : 03291250

Sd/-

A.Jayaraman

Senior Vice President & Company Secretary

Place: Chennai

Date: 27.06.2017

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

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 and impairment loss, if any. 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 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.

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

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 each year by LIC.

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.

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

Note 3: Share Capital

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	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 as on 01.04.2016	Fresh issue	Closing Balance as on 31.03.2017
Equity shares with voting rights Year ended 31 st March, 2017			
- 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, 2016			
- 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, 2017		As at 31 st March, 2016	
	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 Finance Corporation Ltd	150000	14.99%	150000	14.99%

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	(₹)	
Note 4: Reserves and Surplus		
(a) General reserve		
Opening balance	3,01,54,667	2,64,24,667
Add: Transferred from surplus in Statement of Profit and Loss	35,63,000	37,30,000
Closing balance (a)	3,37,17,667	3,01,54,667
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	22,51,67,040	19,52,94,795
Add: Profit / (Loss) for the year	3,56,24,415	3,72,26,416
	26,07,91,455	23,25,21,211
Less:		
Dividends proposed to be distributed to Equity Shareholders (3 per share)	0	30,02,100
Tax on dividend	0	6,22,071
Transferred to General reserve	35,63,000	37,30,000
Closing balance (b)	25,72,28,455	22,51,67,040
Total (a + b)	29,09,46,122	25,53,21,707
Note 5: Long Term Provisions		
Provision for employee benefits:		
Provision for earned leave	82,10,164	68,42,791
Total	82,10,164	68,42,791
Note 6: Other Current Liabilities		
Other payables		
(i) Statutory remittances	1,714	3,190
(ii) Contractually reimbursable expenses	65,08,125	59,33,082
(iii) Others	25,000	0
Total	65,34,839	59,36,272
Note 7: Short-term Provisions		
(a) Provision for employee benefits		
(i) Provision for earned leave	3,27,918	2,76,736
(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	30,02,100
(iii) Provision for tax on proposed dividend	0	6,11,157
(iv) Provision - others	0	0
Total	3,27,918	38,89,993

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

Note 8 (a) : Fixed Assets - Current financial year 2016-17

(in ₹)

Tangible Assets	Computer & Softwares	Office Equipment	Furniture & Fixtures	Vehicles	Total
Gross Block					
Gross Block as at 01.04.2016	33,14,256	32,14,762	33,44,780	37,21,236	1,35,95,034
Additions during the year	4,33,600	2,91,866	3,79,338	0	11,04,804
Deductions during the year	2,88,225	1,89,449	0	0	4,77,674
Gross Block as at 31.03.2017	34,59,631	33,17,179	37,24,118	37,21,236	1,42,22,164
Depreciation					
Accumulated depreciation as at 01.04.2016	26,19,139	21,18,489	21,49,314	22,88,644	91,75,586
Depreciation for the year	5,59,724	6,86,231	4,14,540	6,26,986	22,87,481
Less: Depreciation on assets sold or written off during the year	2,85,342	1,78,661	0	0	4,64,003
Accumulated depreciation as at 31.03.2017	28,93,521	26,26,059	25,63,854	29,15,630	1,09,99,064
Net Block					
Net block as at 31.03.2017	5,66,110	6,91,120	11,60,264	8,05,606	32,23,100

Note 8 (b) : Fixed Assets - Previous financial year 2015-16

(in ₹)

Tangible Assets	Computer & Softwares	Office Equipment	Furniture & Fixtures	Vehicles	Total
Gross Block					
Gross Block as at 01.04.2015	30,95,934	21,03,024	20,41,972	34,90,356	1,07,31,286
Additions during the year	8,36,545	18,88,014	13,02,808	12,42,530	52,69,897
Deductions during the year	6,18,223	7,76,276	0	10,11,650	24,06,149
Gross Block as at 31.03.2016	33,14,256	32,14,762	33,44,780	37,21,236	1,35,95,034
Depreciation					
Accumulated depreciation as at 01.04.2015	26,72,973	19,20,969	17,71,732	25,44,888	89,10,562
Depreciation for the year	5,58,207	9,66,331	3,77,582	6,14,217	25,16,337
Less: Depreciation on assets sold or written off during the year	6,12,041	7,68,811	0	8,70,461	22,51,313
Accumulated depreciation as at 31.03.2016	26,19,139	21,18,489	21,49,314	22,88,644	91,75,586
Net Block					
Net block as at 31.03.2016	6,95,117	10,96,273	11,95,466	14,32,592	44,19,448

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	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 ₹ 80,000 (Previous year ₹ 1,00,000) each issued under the pooled finance development fund scheme of Government of India by Water and Sanitation Pooled Fund (319 numbers)	2,55,20,000	3,19,00,000
Total	2,55,20,000	3,19,00,000
Note 10: Current Investments		
Deposit with companies	21,02,80,438	20,22,22,475
Total	21,02,80,438	20,22,22,475
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	1,03,770
Other Trade receivables		
Unsecured, considered good	0	6,43,547
Total	27,000	7,47,317
Note 12: Cash and Bank Balances		
(A) Cash and Cash Equivalents		
(a) Cash on hand	0	0
(b) Balance with Bank		
(i) Current Account	99,54,626	90,78,240
(ii) Cash Credit Account	0	0
(iii) Deposit with original maturity of less than 3 months	3,25,00,000	1,50,00,000
(c) Cheques on hand	0	0
Total (a)	4,24,54,626	2,40,78,240
(B) Other bank balances		
(a) Term deposit with original maturity for more than 3 months but less than 12 months	0	0
(b) Unpaid dividend	0	0
(c) Term Deposits held as margin money against bank guarantee and other commitments	0	0
Total (b)	0	0
Total (a+b)	4,24,54,626	2,40,78,240

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	(₹)	
Note 13: Short-term Loans and Advances		
(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	2,49,520	3,30,016
Travelling and other advances	50,810	3,47,456
(d) Prepaid expenses – 'Unsecured, considered good'	4,21,219	3,24,864
(e) Others - 'Unsecured, considered good'	25,703	5,439
Total	7,64,002	10,24,525
Note 14: Other Current Assets		
(a) Accruals		
(i) Interest accrued on deposits	2,47,91,866	86,27,202
(ii) Interest accrued on investments	10,69,742	13,37,178
(b) Others		
Advance tax and TDS (net of provisions)	44,88,579	42,32,936
Total	3,03,50,187	1,41,97,316
Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	(₹)	
Note 15: Revenue from Operations		
Sale of Services - Revenue from Operations		
Appraisal fees	4,45,62,406	5,51,88,722
Supervision & recovery fees	3,37,56,049	2,97,07,207
Treasury Management Fees	92,801	56,642
Professional fees	9,28,609	17,79,158
Service tax collected	1,19,09,040	1,22,94,843
	9,12,48,905	9,90,26,572
Less: Service tax paid	1,19,09,040	1,22,94,843
Total	7,93,39,865	8,67,31,729

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	(₹)	
Note 16: Other Income		
(a) Interest Income		
On Investments(Tax-free)	21,25,064	23,92,500
On Term Deposits	2,27,66,009	1,88,64,145
(b) Other non-operating income		
Profit on sale of Fixed Assets	0	4,75,365
Miscellaneous Income	1,92,617	76,694
Total	2,50,83,690	2,18,08,704
Note 17: Employee Benefits		
Salaries and wages	3,14,08,611	2,76,97,133
Contributions to provident and other funds	43,02,748	37,92,560
Staff welfare expenses	9,18,346	9,13,888
Total	3,66,29,705	3,24,03,581
Note 18: Other Expenses		
Rent	28,07,550	27,64,575
Electricity	6,74,823	7,04,663
Repairs and maintenance - Others	1,57,462	72,87,932
Insurance	2,20,390	1,88,776
Rates and taxes	29,068	36,885
Communication	5,85,194	5,70,695
Travelling and conveyance	38,30,105	38,06,042
Printing and stationery	2,82,628	3,43,472
Legal and professional charges	1,68,257	1,73,414
Payments to auditors - Audit fees	70,000	70,000
- Tax audit fees	15,000	15,000
Office Expenses	16,77,581	21,74,908
Security Charges	2,05,440	2,01,190
Loss on sale of Fixed Assets / written off	5,226	0
Miscellaneous expenses	2,29,167	2,35,646
CSR Expenses	9,29,558	4,29,890
Total	1,18,87,449	1,90,03,088

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

Note 19: Additional information to the financial statements

Particulars		As at 31 st March, 2017	As at 31 st March, 2016
		(₹)	
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 as per the scheme framed by LIC. The disclosure under AS -15 (Revised) in this regard is given hereunder:

Changes in present value of obligations

Particulars	₹ In lakhs	
	As at 31 st March, 2017	As at 31 st March, 2016
Present Value of Obligations – opening balance	44.96	35.73
Interest Cost	3.60	2.86
Current Service Cost	4.34	3.79
Benefits paid	0	(2.00)
Actuarial (gain)/loss on obligations	2.61	(4.58)
Present Value of Obligations – closing balance	55.50	44.96

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

Changes in fair value of plan assets

(₹ In lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Fair Value of plan assets – opening balance	51.58	38.79
Expected return on plan assets	4.31	4.03
Contributions	6.83	10.76
Benefits Paid	0	(2.00)
Actuarial (gain)/loss on plan assets	Nil	0
Fair value of plan assets – closing balance	62.73	51.58

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

(₹ In lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Present Value of Obligations as at the end of the year	55.50	44.97
Fair value of plan assets at the end of the year	62.73	51.58
Liability recognized in the Balance Sheet	7.23	6.63

Principal Assumptions used in determining post-employment benefit

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	7.00%
Expected return on plan assets	8.36%	8.50%

Investment details of plan assets

Entire plan assets are lying in the Gratuity fund administered through Life Insurance Corporation of India under its Group Gratuity Scheme.

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

19.6: Earnings Per Share

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	(₹)	
Profit After Tax	3,56,24,415	3,72,26,416
Number of Equity Shares	1000700	1000700
Earning Per Share		
Basic	35.60	37.20
Diluted	35.60	37.20

19.7: Deferred Tax

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	(₹)	
Deferred tax arising out of -		
(i) Depreciation	10,54,235	10,54,513
(ii) Employee Benefits	23,52,455	23,53,929
	34,06,690	34,08,442

Note	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
		(₹)	
19.8	Expenditure in foreign currency	0	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 2017 (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 ₹ 36.13 lakhs has not been shown as an appropriation from the profit & loss appropriation account as of March 31, 2017 and consequently not reported the same under Other Liabilities and Provisions as of March 31, 2017.

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

Note 21: Disclosure on Specified Bank Notes (SBNs)

As per MCA Notification No. G.S.R. 308(E) dated 30th March 2017 every company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016. Accordingly, the following details are furnished:

Particulars	Specified Bank Notes (₹)	Other Denomination Notes(₹)	Total (₹)
Closing Cash In hand as on 08.11.2016	6000	178	6178
(+) Permitted receipts	2000	224	2224
(-) Permitted Payments	0	402	402
(-) Amount Deposited in Bank	8000	0	8000
Closing Cash in hand as on 30.12.2016	0	0	0

(For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November 2016.)

Note 22: 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 R.K.Kumar& Co
Chartered Accountants
Firm Reg. No. 001595S

For and on behalf of the Board of Directors

Sd/-
G. Naganathan
 Partner
 Membership No. 022456

Sd/-
Kakarla Usha, IAS
 Director
 DIN No : 07283218

Sd/-
Harmander Singh, IAS
 Chairman
 DIN No : 03291250

Place: Chennai
 Date: 27.06.2017

Sd/-
A.Jayaraman
Senior Vice President & Company Secretary

WATER AND SANITATION POOLED FUND

Activity Report for the financial year 2016-17

1. Background

Water and Sanitation Pooled Fund (WSPF), a Trust for which the settler is Government of Tamil, has been created in the year 2002 to mobilize resources from the capital market on pooled finance frame work 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:

1. Mobilize resources for urban infrastructure projects under pooled finance framework,
2. Provide financial assistance for implementation of urban infrastructure projects,
3. Enable Urban Local Bodies to access debt finance from the Capital market and
4. 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
Deputy Secretary to the Government, Finance Department	Tursteer
Principal Secretary to the Government, Planning & Development Department	Tursteer
Secretary to the Government, Housing & Urban Development Department	Tursteer
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 ₹ 222.30 crs has been raised by issue of bonds under pooled bond framework as detailed below:

1	Amount mobilized (` in crs)	30.41	6.70	83.19	51.00	51.00
2	Coupon rate	9.20% Taxable	7.25% Tax-free	7.50% Tax-free	10.60% Taxable	8.71% Taxable
3	Rating	AAA(SO)	AA(SO)	AA(SO)	AA(SO)	AA(SO)
4	Tenor	15 years	10 years	10 years	10 years	10 years
5	No. of beneficiary ULBs	13	7	7	10	10
6	BSF / CREF / Cash Collateral (` in crs)	6.90	1.50	18.50	19.00	
7	Month and Year of Mobilization	December 2002	April 2008	September 2010	August 2012	May 2013
8	Bond Balance as on 31.03.2017 (` in crs)	1.28	2.68	66.55	51.00	51.00

The outstanding bond balance as on 31.03.2017 is ` 172.51 crores.

ii. National River Conservation Project (NRCP)

During the year 2003, The Government 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. Accordingly, a sum of ` 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 balance outstanding as on 31.03.2017 is ` 22.99 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)

During the year 2004, 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. Accordingly, a sum of ₹ 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 balance outstanding as on 31.03.2017 is ₹ 0.77 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 2016-17 have been audited by M/s. R.K.Kumar & Co., 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, USAID, KfW, subscribers to the Bond Issues, Bankers, Arrangers, Underwriters, Credit Rating Agencies, Urban Local Bodies and Statutory Auditors.

R.K. Kumar & Co

Chartered Accountants

II FLOOR, CONGRESSBUILDING, 573, MOUNT ROAD, CHENNAI – 600 006.

E-mail : rkkco@dataone.in

TEL: 24349866, 24349867

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WATER AND SANITATION POOLED FUND

We have audited the accompanying financial statements of Water and Sanitation Pooled Fund, a Trust managed by Government of Tamil Nadu, which comprise the Balance Sheet as at March 31, 2017, the Receipts and Payments Account and Income & Expenditure Account for the year ended on that date annexed thereto, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the Indian Trusts Act, 1882. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements of Water and Sanitation Pooled Fund for the year ended March 31, 2017 are prepared, in all material respects, in accordance with the Indian Trusts Act, 1882.

For R.K.Kumar and Co.

Chartered Accountants

FRN: 001595S

Sd/-

G. Naganathan

Partner

Place: Chennai

Date: 27.06.2017

Membership Number: 022456

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

BALANCE SHEET AS AT 31.03.2017

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
		(₹)	
SOURCES OF FUNDS			
1. Capital Fund			
Contribution by Settler		10,000	10,000
2. Other Funds			
a. Government Grant Account	1	158,46,72,516	146,11,91,877
b. Loans Borrowed	2	588,69,58,465	593,90,10,387
3. Current Liabilities	3	18,59,37,356	18,62,20,331
Total		765,75,78,337	758,64,32,595
APPLICATION OF FUNDS			
4. Loans Disbursed	4	504,63,82,718	510,77,48,912
5. Current Assets	5	261,11,95,619	247,86,83,683
Total		765,75,78,337	758,64,32,595
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 P. M. M. Associates

Chartered Accountants

Firm Registration No. 002494S

For Water and Sanitation Pooled Fund

Sd/-

N. Ramaraj

Partner

Membership No. 22683

Sd/-

Kakarla Usha, IAS

Member Secretary

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date: 27.06.2017

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2017

Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
		(₹)	
INCOME			
1. Interest on Loans Disbursed	6	48,08,25,461	38,82,78,146
2. Other Income	7	97,91,475	96,24,710
Total		49,06,16,936	39,79,02,856
EXPENDITURE			
3. Interest on Loans Borrowed	8	48,08,25,461	38,82,78,146
4. Other Expenses	9	97,91,475	96,24,710
Total		49,06,16,936	39,79,02,856
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 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 R.K. Kumar & Co.
Chartered Accountants
Firm Reg. No.001595S

For Water and Sanitation Pooled Fund

Sd/-
G. Naganathan
Partner
Membership No.022456

Sd/-
Kakarla Usha, IAS
Member Secretary

Sd/-
Harmander Singh, IAS
Chairman

Place: Chennai
Date: 27.06.2017

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2017

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
	(₹)	
Opening balances:		
-Cash on hand	0	0
-Balance in Savings Bank Accounts with Banks	48,78,611	60,69,366
-Balance in Public Deposit Accounts with Banks	43,20,00,000	2,50,00,000
-Balance in Term Deposit Accounts with Banks	94,87,06,606	78,60,20,373
Total (A)	138,55,85,217	81,70,89,739
Receipts:		
Loan Installments Received	33,85,60,106	32,75,23,164
Grant from Government of Tamil Nadu	41,03,36,017	19,79,91,181
Interest on deposits	12,84,91,127	12,92,28,983
Deposit matured with Financial Institutions	6,06,83,825	0
Interest on PD Account	0	47,08,333
EMD received from bidders	64,00,000	0
Loan availed from HUDCO	36,26,00,000	164,91,00,000
Subordinated Loan (KfW) from Government	0	40,70,00,000
Total (B)	130,70,71,075	271,55,51,661
Total (A) +(B)	269,26,56,292	353,26,41,400
Payments:		
Redemption of Bonds	19,25,86,667	2,62,06,667
Interest on Bonds	16,61,44,427	16,82,94,140
Loan repaid to HUDCO	12,51,00,000	0
Interest on HUDCO Loan	28,52,36,017	17,11,09,127
Interest on PD Account	0	47,08,333
Interest on Subordinated Loan (KfW)	46,87,500	46,87,500
Deposit with Financial Institutions	0	11,33,47,582
EMD refunded to bidders	64,00,000	0
Loans Disbursed to ULBs	36,26,00,000	164,91,00,000
Other Expenses	97,91,475	96,02,834
Total (C)	115,25,46,086	214,70,56,183

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2017

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
	(₹)	
Closing balances: Cash & Cash Equivalents		
-Cash on hand	0	0
-Balance in Savings Bank Accounts with Banks	56,97,083	48,78,611
-Balance in Public Deposit Accounts with Banks	43,20,00,000	43,20,00,000
-Balance in Term Deposit Accounts with Banks	110,24,13,123	94,87,06,606
Total (D) (A+B-C)	154,01,10,206	138,55,85,217

As per our report of even date attached

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

For Water and Sanitation Pooled Fund

Sd/-
G. Naganathan
Partner
Membership No.022456

Sd/-
Kakarla Usha, IAS
Member Secretary

Sd/-
Harmander Singh, IAS
Chairman

Place: Chennai
Date: 27.06.2017

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

Notes forming part of the financial statements for the Year ended 31.03.2017

Particulars	As at 31.03.2017	As at 31.03.2016
	(₹)	
Note 1: Government Grant Account		
Government of Tamil Nadu Grant Account	65,17,71,127	59,50,63,740
Cash Collateral for bond issue	31,80,97,576	29,54,39,588
Bond Service Fund	22,51,10,436	20,47,08,819
Credit Rating Enhancement Fund	38,96,93,377	36,58,96,692
Project Development Grant	0	83,038
Total	158,46,72,516	146,11,91,877
Note 2: Loans Borrowed		
9.20% 15 year Taxable Non- Convertible Redeemable Bonds	1,28,06,663	2,56,13,330
7.25% 10 year Tax Free Pooled Finance Development Bonds	2,68,00,000	4,02,00,000
7.50% 10 year Tax Free Pooled Finance Development Bonds	66,55,20,000	83,19,00,000
10.60% 10 year Taxable Pooled Bonds	51,00,00,000	51,00,00,000
8.71% 10 year Taxable Pooled Bonds	51,00,00,000	51,00,00,000
Subordinated Loan (KfW)	105,70,00,000	105,70,00,000
Loan from HUDCO	287,49,00,000	263,74,00,000
NRCP / NLCP Loan	22,99,31,802	32,68,97,057
Total	588,69,58,465	593,90,10,387
Note 3: Current Liabilities		
Interest payable on bonds	10,39,85,133	11,26,90,840
Interest payable on HUDCO loan	2,50,27,383	2,28,49,468
Interest payable on Loan (Public Deposit)	3,55,60,000	1,82,80,000
Interest payable on NRCP / NLCP Loan	44,69,599	62,81,426
Other Liabilities	23,000	23,000
Received in advance from ULBs	1,68,72,241	2,60,95,597
Total	18,59,37,356	18,62,20,331
Note 4: Loans Disbursed		
Loans Disbursed to ULBs	481,64,50,916	478,08,51,855
Other Loans	22,99,31,802	32,68,97,057
Total	504,63,82,718	510,77,48,912

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

Notes forming part of the financial statements for the Year ended 31.03.2017

Particulars	As at 31.03.2017	As at 31.03.2016
	(₹)	
Note 5: Current Assets		
a) Cash & Cash Equivalents:		
Balances with Scheduled Banks		
- in Savings Bank Accounts	56,97,083	48,78,611
- in Public Deposit Accounts	43,20,00,000	43,20,00,000
- in Term Deposit Accounts	110,24,13,123	94,87,06,606
b) Current Investments		
- Term Deposits with Financial Institutions	85,64,38,448	91,71,22,273
c) Other Current Assets		
- Interest Accrued on Deposits	12,35,37,083	9,94,49,997
- Interest Accrued on Loans Disbursed to ULBs	2,47,28,467	2,78,06,920
- Interest Accrued on Public Deposit	3,55,60,000	1,82,80,000
- Interest Accrued on Other Loans	44,69,599	62,81,426
- Amount receivable from Government	2,50,27,383	2,28,49,468
- Tax Deducted at source	13,24,433	13,08,382
Total	261,11,95,619	247,86,83,683
Note 6: Interest earned on Loans Disbursed		
Interest earned on Loans to ULBs	43,02,18,002	34,15,87,244
Interest earned on Other Loans	5,06,07,459	4,66,90,902
Total	48,08,25,461	38,82,78,146
Note 7: Other Income		
Project Development Grant	83,038	31,31,202
Front End Fee	0	5,05,620
Other Income	97,08,437	59,87,888
Total	97,91,475	96,24,710
Note 8: Interest on Loans Borrowed		
Interest on bonds issued	15,74,38,720	16,74,73,097
Interest on Subordinated Loan (KfW)	46,87,500	46,87,500
Interest on other Loans Borrowed	31,86,99,241	21,61,17,549
Total	48,08,25,461	38,82,78,146
Note 9: Other Expenses		
Project Development Expenses	28,53,780	30,38,513
Management Fee	34,97,572	38,47,629
Government Guarantee Fee	25,50,000	25,50,000
Other operating expenses	8,90,123	1,88,568
Total	97,91,475	96,24,710

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

Notes forming part of the financial statements for the Year ended 31.03.2017

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 31.03.2017

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 Trust. Expenses are met out of Grants. The loss due to operation (interest loss amounting to ` 1,93,22,150/- and other expenses of (₹ 97,08,437/-) for the financial year 2016-17 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 31.03.2017

d. WSPF Bonds

A sum of ` 222.30 crores. has been mobilized by issue of Taxable and Tax-free Non-Convertible Redeemable Pooled Bonds, of which a sum of ` 49.79 crores (of which ` 19.26 crores during the financial year 2016-17) has been redeemed. The principal bond balance as on 31.03.2017 is ` 172.51 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 R.K. Kumar & Co.
Chartered Accountants
Firm Reg. No.001595S

Sd/-
G. Naganathan
Partner
Membership No.022456

For Water and Sanitation Pooled Fund

Sd/-
Kakarla Usha, IAS
Member Secretary

Sd/-
Harmander Singh, IAS
Chairman

Place: Chennai
Date: 27.06.2017

PROJECT SUSTAINABILITY GRANT FUND

Report on the activities and Annual Accounts of Project Sustainability Grant Fund for the FY 2016-2017

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 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 and Tamil Nadu Transparency in Tenders Rules, 2000 and Tamil Nadu Transparency in Tenders (Public Private Partnership Procurement) Rules, 2012 (amended up to date) on shall be adhered to.

8. Performance

A sum of ₹303.60 crores has been received from Government during the financial year 2016-17 and a sum of ₹211.74 crores has been disbursed to various ULBs during the financial year 2016-2017. The details are furnished below:

(₹ in crores)

Details	Financial Year 2016-17	Financial Year 2015-16
Balance of Fund as on 1 st April	297.98	269.16
Add: Grant received from GoTN	303.60	206.90
Add: Excess of Income over Expenditure	6.76	7.33
TOTAL	608.34	483.39
Less: Disbursements	211.74	185.41
Balance of Fund as on 31st March	396.60	297.98

9. Accounts and Audit

The Annual Accounts for the financial year 2016-17 have been audited by M/s.N.Raja & Associates, Chartered Accountants, Chennai.

**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TAMIL NADU URBAN
INFRASTRUCTURE FINANCIAL SERVICES LIMITED
(FUND MANAGER OF PROJECT SUSTAINABILITY GRANT FUND)**

We have audited the accompanying Financial Statements of PROJECT SUSTAINABILITY GRANT FUND of Government of Tamil Nadu as on 31st March, 2017, which comprise the Balance Sheet as on that date, the Receipts and Payments Account for the year ended on that date, the Income and Expenditure Account for the year ended on that date and a summary of significant accounting policies and other explanatory information.

The Government of Tamil Nadu has created Project Sustainability Grant Fund and prescribed the guidelines for its operation and management vide G.O.(Ms)No.94, Municipal Administration and Water Supply (MA-2) Department, dated 01.07.2015. Project Sustainability Grant Fund is a Government Fund and is being operated and managed by the Fund Manager, Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL), based on the guidelines prescribed by the Government of Tamil Nadu.

The Management (Fund Manager) is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position and financial performance. 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Management's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We report that:

- a. We have 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, books of account as required have been kept by the Fund so far as it appears from our examination of those books.
- c. The Balance Sheet, Income and Expenditure Account, dealt with by this report are in agreement with the books of account.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the PROJECT SUSTAINABILITY GRANT FUND as at 31st March, 2017 and
- b. in the case of the Income and Expenditure Account, of the surplus of the Fund for the year ended on that date.

For N. Raja & Associates
Chartered Accountants
Firm No.003388S

Sd/-

N. Raja
Partner

Membership No. 022890

Place: Chennai
Date: 27.06.2017

PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Balance Sheet As At 31.03.2017

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
Sources of Funds		(₹)	
Grant from Government	1	396,71,29,782	297,98,41,941
Current Liabilities	2	51,750	51,775
Total		396,71,81,532	297,98,93,716
Application of Funds			
Current Assets	3		
a. Cash and Cash Equivalents		311,50,88,184	245,55,01,895
b. Term Deposit with Companies		78,05,98,781	46,56,19,417
c. Other Current Assets		7,14,94,567	5,87,72,404
Total		396,71,81,532	297,98,93,716
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 **N. Raja & Associates,**
Chartered Accountants
Firm Reg. No: 003388S

Sd/-
N. Raja
Partner
Membership No: 022890

Place: Chennai
Date: 27.06.2017

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 31.03.2017

Particulars	For the period ended 31.03.2017	For the period ended 31.03.2016
Income	(₹)	
Interest earned		
On Savings Bank Account	18,13,267	10,62,724
On Deposit Accounts	8,81,61,936	9,35,41,888
Total	8,99,75,203	9,46,04,612
Expenditure		
Management Fee & Other Charges	2,12,39,862	2,12,12,260
Audit Fee – Statutory Audit	57,500	57,500
Total	2,12,97,362	2,12,69,760
Excess of Income over Expenditure transferred to Grant from Government	6,86,77,841	7,33,34,852
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 **N. Raja & Associates,**

Chartered Accountants

Firm Reg. No: 003388S

Sd/-

N. Raja

Partner

Membership No: 022890

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)

Place: Chennai

Date: 27.06.2017

PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Receipts & Payments Account for the year ended 31.03.2017

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
	(₹)	
Receipts		
Grant from Government	303,59,61,000	210,61,32,000
Interest Receipts	9,56,37,100	9,13,29,981
Other Receipts from TNUDF	0	1,53,80,934
Other Receipts from WSPF	0	6,80,768
Total	313,15,98,100	221,35,23,683
Payments		
Disbursements to Urban Local Bodies	211,73,51,000	185,41,03,000
Remittance of Grant to GoTN	0	3,59,83,934
Term Deposit with Companies	31,49,79,364	15,94,35,623
Other Payments to TNUDF	85,34,228	0
Other Payments to WSPF	98,49,832	0
Management Fee & Other Charges	2,12,39,862	2,12,12,260
Audit Fees	51,775	59,280
TDS on Audit Fees Payable	5,750	5,725
Total	247,20,11,811	207,07,99,822
Surplus / (Deficit) for the period	65,95,86,289	14,27,23,861
Add: Opening Cash and Bank Balances	245,55,01,895	231,27,78,034
Closing Cash & Bank Balances	311,50,88,184	245,55,01,895

Vide our report of even date attached

For **N. Raja & Associates,**

Chartered Accountants

Firm Reg. No: 003388S

Sd /-

N. Raja

Partner

Membership No: 022890

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)

Place: Chennai

Date: 27.06.2017

PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2017

Particulars	As at 31.03.2017	As at 31.03.2016
	(₹)	
Note-1		
Grant from Government		
Balance at the beginning of the year	297,98,41,941	269,16,08,819
Add: Grant assistance received during the year	303,59,61,000	206,90,01,270
Excess of Income over Expenditure carried from Income and Expenditure Account	6,86,77,841	7,33,34,852
	608,44,80,782	483,39,44,941
Less: Disbursement to ULBs during the year	211,73,51,000	185,41,03,000
Total	396,71,29,782	297,98,41,941
Note-2		
Current Liabilities		
Audit Fee payable	51,750	51,775
Total	51,750	51,775
Note-3		
Current Assets		
a. Cash and Cash Equivalents		
i. In Savings Bank Account with Banks	8,88,184	64,51,002
ii. In Deposit Account with Banks	30,10,00,000	61,52,50,893
iii. In Public Deposit Account with Banks	281,32,00,000	183,38,00,000
	311,50,88,184	245,55,01,895
b. Term Deposit with Companies	78,05,98,781	46,56,19,417
	78,05,98,781	46,56,19,417
c. Other Current Assets		
i. Accrued interest on Deposits	2,98,23,939	3,54,85,836
ii. Receivable from TNUDF	2,57,89,193	1,72,54,965
iii. Receivable from WSPF	1,58,81,435	60,31,603
	7,14,94,567	5,87,72,404
Total	396,71,81,532	297,98,93,716

Project Sustainability Grant Fund
(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2017

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 31.03.2017

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 **N. Raja & Associates,**
Chartered Accountants
Firm Reg. No: 003388S

Sd /-
N. Raja
Partner
Membership No: 022890

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)**

Place: Chennai
Date: 27.06.2017

PROJECT DEVELOPMENT GRANT FUND

Report on the activities and Annual Accounts of Project Development Grant Fund for the FY 2016-2017

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 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.
- iv. 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 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 ₹15.08 crores has been received from Government during the financial year 2016-17 and a sum of ₹11.93 crores has been disbursed to various consultancy assignments during the financial year 2016-2017. The details are furnished below:

(₹ in crores)

Details	Financial Year 2016-17	Financial Year 2015-16
Balance of Fund as on 1st April	76.13	71.79
Add: Grant received from GoTN	15.08	12.89
Add: Excess of Income over Expenditure	6.15	5.97
TOTAL	97.36	90.65
Less: Disbursements	11.93	14.52
Balance of Fund as on 31st March	85.43	76.13

9. Accounts and Audit

The Annual Accounts for the financial year 2016-17 have been audited by M/s.Ponraj & Co., Chartered Accountants, Chennai.

**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TAMIL NADU URBAN
INFRASTRUCTURE FINANCIAL SERVICES LIMITED
(FUND MANAGER OF PROJECT DEVELOPMENT GRANT FUND)**

We have audited the accompanying Financial Statements of PROJECT DEVELOPMENT GRANT FUND of Government of Tamil Nadu as on 31st March 2017, which comprise the Balance Sheet as on that date, the Receipts and Payments Account for the year ended on that date, the Income and Expenditure Account for the year ended on that date and a summary of significant accounting policies and other explanatory information.

The Government of Tamil Nadu has created Project Development Grant Fund and prescribed the guidelines for its operation and management vide G.O.(Ms) No.94, Municipal Administration and Water Supply (MA-2) Department, dated 01.07.2015. Project Development Grant Fund is a Government Fund and is being operated and managed by the Fund Manager, Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL), based on the guidelines prescribed.

The Management (Fund Manager) is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position and financial performance. 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Management's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We report that:

- a. We have 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, books of account as required have been kept by the Fund so far as it appears from our examination of those books.
- c. The Balance Sheet, Income and Expenditure Account, dealt with by this report are in agreement with the books of account.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the PROJECT DEVELOPMENT GRANT FUND as at 31st March, 2017 and
- b. in the case of the Income and Expenditure Account, of the surplus of the Fund for the year ended on that date.

For **Ponraj & Co.,**
Chartered Accountants
Firm Registration No. 002672S

Sd/-
N. Raghu Ram
Partner
Membership No. 210771

Place: Chennai
Date: 27.06.2017

PROJECT DEVELOPMENT GRANT FUND**(Grant Fund of Government of Tamil Nadu)****Balance Sheet as at 31.03.2017**

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
		(₹)	(₹)
Sources of Funds			
Grant from Government	1	85,42,74,580	76,13,54,806
Current Liabilities	2	3,76,750	2,36,525
Total		85,46,51,330	76,15,91,331
Application of Funds			
Current Assets	3		
a. Cash and Cash Equivalents		28,26,98,545	30,32,55,966
b. Current Investments		54,17,49,709	44,25,60,948
c. Other Current Assets		3,02,03,076	1,57,74,417
Total		85,46,51,330	76,15,91,331
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 Ponraj & Co.,

Chartered Accountants

Firm Registration No. 002672S

Sd/-

N. Raghu Ram

Partner

Membership No. 210771

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date: 27.06.2017

**(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)
Income & Expenditure Account for the year ended 31.03.2017

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
	(₹)	
Income		
Interest earned		
On Savings Bank Account	2,73,635	3,59,369
On Deposit Accounts	6,26,10,073	6,10,51,789
Total	6,28,83,708	6,14,11,158
Expenditure		
Management Fee	13,71,676	16,54,975
Audit Fee – Statutory Audit	57,750	57,250
Total	14,29,426	17,12,225
Excess of Income over Expenditure transferred to Grant from Government	6,14,54,282	5,96,98,933
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 **Ponraj & Co.,**

Chartered Accountants

Firm Registration No. 002672S

Sd/-

N. Raghu Ram

Partner

Membership No. 210771

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date: 27.06.2017

(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 for the year ended 31.03.2017

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Receipts	(₹)	
Grant from Government	15,07,41,687	12,85,98,000
Interest Receipts	4,84,55,049	6,14,12,008
Earnest Money Deposit	1,40,000	10,000
Total	19,93,36,736	19,00,20,008
Payments		
Disbursements	11,92,76,195	14,51,77,920
Management Fee & Other Charges	13,71,676	16,54,974
Audit Fees	51,775	66,120
TDS on Audit Fees	5,750	5,725
Term Deposit with Companies	9,91,88,761	24,94,25,454
Total	21,98,94,157	39,63,30,193
Surplus / (Deficit) for the year	(2,05,57,421)	(20,63,10,185)
Add: Opening Cash and Bank Balances	30,32,55,966	50,95,66,151
Closing Cash & Bank Balances	28,26,98,545	30,32,55,966

Vide our report of even date attached
For **Ponraj & Co.,**
Chartered Accountants
Firm Registration No. 002672S

Sd/-
N. Raghu Ram
Partner
Membership No. 210771

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

Place: Chennai
Date: 27.06.2017

(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)

Notes forming part of the Financial Statements for the year ended 31.03.2017

Particulars	As at 31.03.2017	As at 31.03.2016
	(₹)	(₹)
Note-1		
Grant from Government		
Balance at the beginning of the year	76,13,54,806	71,79,31,819
Add: Grant assistance received during the year	15,07,41,687	12,89,01,974
Excess of Income over Expenditure carried from Income & Expenditure Account	6,14,54,282	5,96,98,933
	97,35,50,775	90,65,32,726
Less: Disbursements made during the year	11,92,76,195	14,51,77,920
Total	85,42,74,580	76,13,54,806
Note-2		
Current Liabilities		
Audit Fee payable	51,750	51,525
Other Liabilities	3,25,000	1,85,000
Total	3,76,750	2,36,525
Note-3		
Current Assets		
a. Cash and Cash Equivalents		
i. In Savings Account	14,98,545	4,55,966
ii. In Deposit account	25,05,00,000	26,45,00,000
iii. In Public Deposit Account with Banks	3,07,00,000	3,83,00,000
	28,26,98,545	30,32,55,966
b. Current Investments		
i. Term Deposit with Companies	54,17,49,709	44,25,60,948
	54,17,49,709	44,25,60,948
c. Other Current Assets		
i. Accrued interest on Deposits	3,02,03,076	1,57,74,417
	3,02,03,076	1,57,74,417
Total	85,46,51,330	76,15,91,331

PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2017

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 GO.Ms.No.94, Municipal Administration & Water Supply 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 technical assistance grant to consultancy assignments & 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 31.03.2017

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 **Ponraj & Co.,**

Chartered Accountants

Firm Registration No. 002672S

Sd/-

N. Raghu Ram

Partner

Membership No. 210771

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date: 27.06.2017

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

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND (TURIF)

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. Objectives & features of the project

The objectives of TURIP are as follows:

- Develop a sustainable urban road infrastructure in Urban Local Bodies in a phased manner;
- Maintain the asset created under this project and
- Funding urban road infrastructure in Tamil Nadu through a dedicated non-lapsable fund, namely, the Tamil Nadu Urban Road Infrastructure Fund.

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 and Municipalities on account of surcharge on stamp duty, a portion of devolution, proceeds from issue of bonds and other market borrowings, grants, repayments from borrowers of the fund 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 for improvement/renovation/relaying of roads in the Urban Local Bodies including related infrastructure such as roads, pedestrian footpaths, storm water drains, signages, provision for ducting, street furniture, productive structures and cross drainage structures.

5.2 Eligible Grant Applicants

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

6. Procedure for application and approval of grant

Application from the ULBs for financial assistance along with the detailed estimate of the project shall be scrutinized by the Commissioner of Municipal Administration / Director of Town Panchayats and placed before the Committee for approval. The Committee consisting of Additional Chief 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

7. Procurement procedures

Procurement of works, goods & services under this project shall follow Tamil Nadu Transparency in Tenders Act, 1998.

8. Performance

During the financial year 2016-2017, a sum of Rs.411.68 crores (previous year Rs.410.77crores) has been released by Government to TURIF. A sum of Rs.526.22 crores (previous year Rs.578.21 crores) has been disbursed to ULBs.

9. Accounts and Audit

The Annual Accounts for the financial year 2016-2017 have been audited by M/s. N.Raja& Associates, Chartered Accountants, Chennai – 600 017.

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

(FUND MANAGER OF TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND)

We have audited the accompanying Financial Statements of TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND of Government of Tamil Nadu as on 31st March 2017, which comprise the Balance Sheet as on that date, the Receipts and Payments Account for the year ended on that date, the Income and Expenditure Account for the year ended on that date and a summary of significant accounting policies and other explanatory information.

The Government of Tamil Nadu has created Tamil Nadu Urban Road Infrastructure Fund (TURIF) vide G.O. Ms. No.235, Municipal Administration and Water Supply (MA-3) Department dated 27.11.2008 to implement Tamil Nadu Urban Road Infrastructure Project (TNUIP). TURIF is Grant Fund of Government of Tamil Nadu and 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 amended from time to time.

The Management (Fund Manager) is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position and financial performance. 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Management's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We report that:

- a) We have 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, books of account as required have been kept by the Fund so far as appears from our examination of those books.
- c) The Balance Sheet, Income and Expenditure Account, dealt with by this report are in agreement with the books of account.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND as at 31st March, 2017 and
- b) in the case of the Income and Expenditure Account, of the surplus of the Fund for the year ended on that date.

For N. Raja & Associates
Chartered Accountants
Firm Regn. No.003388S

Sd/-

N. Raja
Partner

Membership No. 022890

Place: Chennai

Date: 27.06.2017

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND

(Grant Fund of Government of Tamil Nadu)

Balance Sheet As At 31.03.2017

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
		(₹)	
Sources of Funds			
Grant from Government	1	126,60,40,264	228,98,76,495
Current Liabilities	2	17,250	17,250
Total		126,60,57,514	228,98,93,745
Application of Funds			
Current Assets			
a. Cash and Cash Equivalents	3	71,26,29,970	137,27,62,185
b. Term Deposit with Companies		48,22,76,759	83,20,82,813
c. Other Current Assets		7,11,50,785	8,50,48,747
Total		126,60,57,514	228,98,93,745
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 **N. Raja & Associates**

Chartered Accountants

Firm Regn. No.003388S

Sd/-

N. Raja

Partner

Membership No. 022890

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmandar Singh, IAS

Chairman

Place: Chennai

Date: 27.06.2017

(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 31.03.2017

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
	(₹)	
Income		
Interest earned		
On Savings Bank Account	21,57,872	27,34,792
On Deposit Accounts	11,99,84,670	19,81,15,785
Total	12,21,42,542	20,08,50,577
Expenditure		
Management Fee	6,05,151	6,56,828
Audit Fee – Statutory Audit	17,250	17,250
Total	6,22,401	6,74,078
Excess of Income over Expenditure transferred to Grant From Government	12,15,20,141	20,01,76,499
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 N. Raja & Associates

Chartered Accountants

Firm Regn. No.003388S

Sd/-

N. Raja

Partner

Membership No. 022890

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmandar Singh, IAS

Chairman

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

Place: Chennai

Date: 27.06.2017

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND**(Grant Fund of Government of Tamil Nadu)****Receipts & Payments Account for the year ended 31.03.2017**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
	(₹)	
Receipts		
Grant from Government	411,68,14,628	410,77,60,015
Interest Receipts	13,60,40,504	27,58,12,210
Term Deposit with Companies	34,98,06,059	0
Total	460,26,61,191	438,35,72,225
Payments		
Disbursements to Urban Local Bodies	526,21,71,000	578,21,35,000
Term Deposit with Companies	0	23,40,75,631
Management Fee	6,05,151	6,56,828
Audit Fees	17,250	17,100
Total	526,27,93,401	601,68,84,559
Surplus / (Deficit) for the year	(66,01,32,210)	(163,33,12,334)
Add: Opening Cash and Bank Balances	137,27,62,185	300,60,74,519
Closing Cash & Bank Balances	71,26,29,975	137,27,62,185

Vide our report of even date attached

For N. Raja & Associates

Chartered Accountants

Firm Regn. No.003388S

Sd/-

N. Raja

Partner

Membership No. 022890

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmandar Singh, IAS

Chairman

Place: Chennai

Date: 27.06.2017

**(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)

Note forming part of the Financial Statements for the year ended 31.03.2017

Particulars	As at 31.03.2017	As at 31.03.2016
	(₹)	
Note – 1: Grant From Government		
Balance at the beginning of the year	228,98,76,495	376,40,74,981
Add: Grant assistance received during the year	411,68,14,628	410,77,60,015
Excess of Income over Expenditure carried from Income and Expenditure Account	12,15,20,141	20,01,76,499
	652,82,11,264	807,20,11,495
Less: Disbursements to ULBs during the year	526,21,71,000	578,21,35,000
Total	126,60,40,264	228,98,76,495
Note -2: Current Liabilities		
Audit Fee payable	17,250	17,250
Total	17,250	17,250
Note-3: Current Assets		
a. Cash and Cash Equivalent		
i. In Savings Bank Account with Banks	6,29,970	5,50,185
ii. In Deposit Account with Banks	71,20,00,000	137,22,12,000
	71,26,29,970	137,27,62,185
b. Deposit with Companies	48,22,76,759	83,20,82,813
	48,22,76,759	83,20,82,813
c. Other Current Assets		
Accrued interest on Deposits	7,11,50,875	8,50,48,747
	7,11,50,785	8,50,48,747
Total	126,60,57,514	228,98,93,745

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Accounts for the year ended 31.03.2017

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 amended from time to time. The fee structure is prescribed 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 Accounts for the year ended 31.03.2017

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 for improvement/renovation/relaying of roads in the Urban Local Bodies including related infrastructure such as roads, pedestrain footpaths, storm water drains, signages, provision for ducting, street furniture, productive structures and cross drainage structures.

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

Signature to Schedules 1 to 4

Vide our report of even date attached

For **N. Raja & Associates**

Chartered Accountants

Firm Regn. No.003388S

Sd/-

N. Raja

Partner

Membership No. 022890

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date: 27.06.2017

**(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 of Chennai Mega City Development Fund for the Financial Year 2016-17

1. Introduction

The Government vide G.O.(Ms) No.10, Municipal Administration and Water Supply (MC.1) Department, dated 27.01.2012 has launched Chennai Mega City Development Mission (CMCDM). The Government has designated Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) as the Nodal Agency for CMCDM. Further, 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 in Chennai and its Suburban areas.

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 Government vide G.O.(Ms) No.10 Municipal Administration and Water Supply (MC.1) Department dated 27.01.2012 through 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. Any proposal for funding regular operation and maintenance shall not be posed for funding CMCDM. However, 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 eligible applicants are GCC and CMWSSB only under CMCDM. The Government vide G.O.(Ms) No.10, Municipal Administration and Water Supply (MC.1) Department, dated 27.01.2012 has constituted a Project Sanctioning Committee, with the following composition:

- Principal Secretary to Government, MA & WS Department,
- Managing Director, Chennai Metropolitan Water Supply and Sewerage Board,
- Secretary to Government (Expenditure), Finance Department,
- Chairperson and Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited,
- Principal Secretary and Commissioner, Greater Chennai Corporation (Convenor of the Committee)

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.

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 ₹2500 crores (₹ 2492.10 crores for projects and ₹7.90 crores for consultancy & other expenses) has been sanctioned as grant for implementation of various projects costing ₹ 3209.16 crores. A sum of ₹ 400.00 crores (previous year ₹ 450.00 crores) has been released by Government of Tamil Nadu to CMCDF during the financial year 2016-2017. A sum of ₹186.99 crores (previous year ₹ 577.52 crores) has been disbursed to GCC, CMWSSB, consultancies and other expenses during the financial year 2016-2017. In total, a sum of ₹ 2150.00 crores has been released by Government, of which a sum of ₹1853.55 crores has been disbursed to GCC, CMWSSB, consultancies and other expenses up to 31.03.2017. The details are furnished below:

(₹ in crores)

S.No.	Particulars	Up to 2015-16	During 2016-17	Up to 2016-17
1.	Greater Chennai Corporation	1065.37	110.36	1175.73
2.	Chennai Metropolitan Water Supply and Sewerage Board	598.58	76.45	675.03
3.	Consultancy payments and other expenses	2.61	0.18	2.79
	Total	1666.56	186.99	1853.55

9. Accounts and Audit

The Annual Accounts for the financial year 2016-17 have been audited by M/s. N. Raja & Associates, Chartered Accountants, Chennai.

**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TAMIL NADU URBAN
INFRASTRUCTURE FINANCIAL SERVICES LIMITED
(FUND MANAGER OF CHENNAI MEGA CITY DEVELOPMENT FUND)**

We have audited the accompanying financial statements of CHENNAI MEGA CITY DEVELOPMENT FUND of Government of Tamil Nadu as on 31st March 2017, which comprise the Balance Sheet as on that date, the Receipts and Payments Account for the year ended on that date, the Income and Expenditure Account for the year ended on that date and a summary of significant accounting policies and other explanatory information.

The Government of Tamil Nadu has created Chennai Mega City Development Fund (CMCDF) for implementing Chennai Mega City Development Mission (CMCDM) and prescribed guidelines and procedures for its operation and management vide G.O.(Ms).No.5, Municipal Administration & Water Supply (MC.I) Department, dated 30.03.2012. CMCDF is a Government Fund and is being operated and managed by the Fund Manager, Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL), based on the guidelines and procedures prescribed by the Government of Tamil Nadu.

The Management (Fund Manager) is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position and financial performance. 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Management's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We report that:

- a. We have 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, books of account as required have been kept by the Fund so far as it appears from our examination of those books.
- c. The Balance Sheet, Income and Expenditure Account, dealt with by this report are in agreement with the books of account.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Chennai Mega City Development Fund as at 31st March, 2017 and
- b. in the case of the Income and Expenditure Account, the deficit of the Fund for the year ended on that date.

For N. Raja & Associates,
Chartered Accountants
Firm No.003388S

Sd/
N. Raja
Partner

Place: Chennai
Date: 27.06.2017

Membership No. 022890

CHENNAI MEGA CITY DEVELOPMENT FUND**(Grant Fund of Government of Tamil Nadu)****Balance Sheet As At 31.03.2017**

Particulars	Note no.	As at 31.03.2017	As at 31.03.2016
Sources of Funds		(₹)	
Grant from Government	1	246,46,00,145	33,38,41,219
Current Liabilities	2	13,800	6,57,347
Total		246,46,13,945	33,44,98,566
Application of Funds			
Current Assets	3	246,46,13,945	33,44,98,566
a.Cash and Cash Equivalents			
Total		246,46,13,945	33,44,98,566
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 N. Raja & Associates

Chartered Accountants

Firm Regn. No.003388S

Sd/

N. Raja

Partner

Membership No. 022890

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date: 27.06.2017

**(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 31.03.2017

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Income		
Interest earned		
On Savings Bank Account	67,804	50,368
Total	67,804	50,368
Expenditure		
Management Fee	10,73,478	89,82,126
Audit Fee – Statutory Audit	13,800	13,800
Total	10,87,278	89,95,926
Excess of Expenditure over Income transferred to Grant from Government	(10,19,474)	(89,45,558)
Notes Including Significant Accounting Policies - Note 1 to 6		

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For N. Raja & Associates

Chartered Accountants

Firm Regn. No.003388S

Sd/

N. Raja

Partner

Membership No. 022890

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date: 27.06.2017

**(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 for the year ended 31.03.2017**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
	(₹)	(₹)
Receipts		
Grant from Government	400,00,00,000	450,00,00,000
Interest Receipts	67,804	50,368
Total	400,00,67,804	450,00,50,368
Payments		
Disbursement to ULBs	186,82,21,600	576,67,77,509
Management Fee	17,17,025	83,38,579
Statutory Audit Fees	13,800	13,680
Total	186,99,52,425	577,51,29,768
Surplus / Deficit for the year	213,01,15,379	(127,50,79,400)
Add: Opening Cash and Bank Balances	33,44,98,566	160,95,77,966
Closing Cash & Bank Balances	246,46,13,945	33,44,98,566

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For N. Raja & Associates

Chartered Accountants

Firm Regn. No.003388S

Sd/

N. Raja

Partner

Membership No. 022890

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

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

Place: Chennai

Date: 27.06.2017

CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2017

Particulars	As at 31.03.2017	As at 31.03.2016
	(₹)	(₹)
Note -1		
Grant from Government		
Balance at the beginning of the year	33,38,41,219	160,95,64,286
Add: Grant assistance received during the year	400,00,00,000	450,00,00,000
	433,38,41,219	610,95,64,286
Less: Disbursement during the year	186,82,21,600	576,67,77,509
Excess of Expenditure over Income Transferred from Income & Expenditure Account	10,19,474	89,45,558
Total	246,46,00,145	33,38,41,219
Note -2		
Current Liabilities		
Audit Fee payable	13,800	13,800
Management Fee Payable	0	6,43,547
Total	13,800	6,57,347
Note -3		
Current Assets		
a. Cash and Cash Equivalents		
i. In Savings Bank Account	2,17,945	3,98,566
ii. In Public Deposit account	246,43,96,000	33,41,00,000
Total	246,46,13,945	33,44,98,566

CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2017

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 Fund Account.

e. Grant from Government Account

The balance in Grant from Government Account represents funds 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 31.03.2017

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.

Signature to Notes 1 to 6

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For **N. Raja & Associates**

Chartered Accountants

Firm Regn. No.003388S

Sd/

N. Raja

Partner

Membership No. 022890

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date: 27.06.2017

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



TAMIL NADU URBAN DEVELOPMENT FUND

No. 19, T.P. Scheme Road, Raja Street Extension,
Raja Annamalaipuram, Chennai - 600 028.

Phone : 044-24643103, 24643104, 24643105 Fax: 24613106

Website : www.tnuifsl.com