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

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

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

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

Mr. Chandrakant B Kamble, 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,
Deputy General Manager
ICICI Bank Limited,
No.1, Cenotaph Road,
Teynampet,
Chennai 600018

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

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

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

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

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

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

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

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

Mr. Ashish Vachhani, IAS,
Secretary to Government,
Planning and Development Department
Secretariat, Fort St. George
Chennai 600 009

Mrs. Kakarla Usha, IAS.,
Managing Director
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Chennai – 600 002

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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. Ponraj & Co.,
Chartered Accountants,
Chennai 600 002

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

TAMIL NADU URBAN DEVELOPMENT FUND

Report on the activities of Tamil Nadu Urban Development Fund for the Financial Year 2017-2018

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 ₹ 3510.19 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	91.08	91.08
3	Loan under World Bank assisted TNUDP III	580.78	580.78
4	Loan under World Bank assisted TNSUDP	1225.92	450.00
5	Loan under JICA assisted TNUIP	260.27	260.27
6	Loan under KfW assisted SMIF – TN-I	362.45	362.45
7	Loan under KfW assisted SMIF – TN-II-1	329.73	280.00
8	Loan under KfW assisted SMIF – TN-II-2	460.36	225.00
	Total	3510.19	2449.18

Of the above, a sum of ₹ 1061.10 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 ₹ 640.16 crores has been disbursed as term loan to the ULBs based on the progress of the projects under TNUDP-III as on 31.03.2018.

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 ₹ 599.89 crores has been disbursed as term loan to the ULBs based on the progress of the projects under TNSUDP as on 31.03.2018.

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 ₹ 243.49 crores has been disbursed as term loan to the ULBs based on the progress of the projects under TNUIP as on 31.03.2018.

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, ₹ 256.01 crores under SMIF – TN-II-1 Program and ₹ 194.25 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 31.03.2018.

6. PERFORMANCE

6.1 Project Loan Approvals

During the financial year 2017-18 , term loan of ₹ 105.17 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	1	37.00	3.89
2	Water Supply Scheme	1	232.07	52.46
3	Roads, Storm Water Drains & Street Lights	3	218.26	32.05
4	Water Bodies & Parks	6	54.13	16.77
	Total	11	541.46	105.17

6.2 Project Loan Disbursements

During the financial year 2017-18 , a sum of ₹ 441.75 crores has been disbursed as term loan as detailed below:

(₹ in Crores)

Sector	Loan amount disbursed	
	2017 – 2018	2016 – 2017
Sewerage & Sanitation	7.60	19.99
Water Supply	134.82	57.87
Roads, Storm Water Drains & Street Lights	298.07	281.32
Bus Stands and Office Building	1.26	0
Total	441.75	359.18

6.3 Project Loan Recovery

The entire debt service (principal and interest) dues of ₹ 236.36 crores from the ULBs for the financial year 2017-18 have been collected. TNUDF has achieved record 100% collection efficiency continuously for the past thirteen financial years.

7. Accounts and Audit

The Accounts for the financial year 2017-2018 have been completed and audited by M/s. R.K.Kumar & Co, Chartered Accountants, Chennai.

Tamil Nadu Urban Development Fund

HIGHLIGHTS OF PERFORMANCE

(₹ in Crores)

	31.3.18	31.3.17	31.3.16	31.3.15	31.3.14	31.3.13	31.3.12	31.3.11	31.3.10	31.3.09	31.3.08	31.3.07	31.3.06	31.3.05	31.3.04
Total Assets	2610.85	2277.82	2046.03	1800.19	1604.05	1376.92	1272.84	1038.71	1001.40	687.59	673.13	531.40	492.85	477.60	554.23
Net worth	254.99	245.08	229.74	224.08	226.87	222.94	215.67	208.43	205.34	202.26	202.26	202.26	202.26	202.26	202.26
Total Income	196.08	167.78	149.17	137.90	108.13	99.42	84.11	67.25	59.33	51.16	47.28	35.99	28.68	28.44	42.18
Total Expenditure	180.13	157.42	140.37	127.68	101.22	88.67	73.63	62.89	54.83	33.20	28.94	20.66	20.19	21.09	23.17
Surplus before provision for contingency	-	-	-	-	-	-	-	-	-	17.96	18.34	15.33	8.49	7.35	19.02
Provision for Contingency	-	-	-	-	-	-	-	-	-	6.17	14.40	10.05	5.07	5.94	9.00
Surplus available for distribution	-	-	-	-	-	-	-	-	-	11.79	3.94	5.28	3.42	1.41	10.02
Surplus before tax	15.95	10.36	8.80	10.22	6.91	10.75	10.48	4.36	4.50	-	-	-	-	-	-
Provision for Tax- current yr	6.05	4.11	3.15	3.85	2.98	3.49	3.24	1.27	1.43	-	-	-	-	-	-
Net Surplus for the year	9.90	6.25	5.65	6.37	3.93	7.26	7.24	3.09	3.07	-	-	-	-	-	-
Provision for Tax- prior yr	-	(9.09)	-	9.15	-	-	-	-	-	-	-	-	-	-	-
Net income / surplus after tax transferred to Capital Fund	9.90	15.34	5.65	(2.78)	3.93	7.26	7.24	3.09	3.07	-	-	-	-	-	-
Average Return on Loan lending %	8.78	8.66	8.67	8.62	8.39	8.39	8.54	8.41	8.30	8.01	8.43	8.49	8.12	8.47	11.33
Yield on Investments %	8.66	8.79	9.04	10.78	10.19	10.24	9.74	7.73	9.35	9.78	10.01	8.81	6.49	5.76	5.75
Cost of funds %	8.29	8.39	8.41	8.39	8.09	7.99	7.77	7.64	7.74	7.64	7.62	7.52	7.52	7.99	8.23
Loan Sanctions (Net)	105.17	236.96	1038.76	89.07	773.34	342.21	124.02	123.22	167.68	178.08	209.56	201.94	381.25	147.61	145.24
Loan Disbursements	441.75	359.18	145.84	311.79	566.19	257.68	85.36	185.35	151.46	88.63	70.74	69.42	26.71	102.50	51.13
Recoveries (Principal + Interest)	236.36	198.03	166.70	144.39	97.45	82.77	78.45	69.73	52.85	37.34	30.62	22.14	20.82	15.30	22.90
Collection Efficiency %	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	98.80

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 2018, 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 2018;
 - 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 2018, and taken on record by the Trustees, none of the Trustees is disqualified as on 31st March 2018, from being appointed as a Trustee in terms of applicable provisions of Indian Trust Act.

R.K.Kumar & Co
Chartered Accountants

Firm Registration No: 0015955

Sd/-

G. Naganathan

Partner

Place: Chennai

Date : 25.06.2018

Membership No:022456

II Floor, Congressbuilding, 573, Mount Road, Chennai - 600 006

TAMIL NADU URBAN DEVELOPMENT FUND
BALANCE SHEET AS AT 31st MARCH 2018

	Note No.	As at 31/03/2018	As at 31/03/2017
		(₹)	
SOURCES OF FUNDS			
1 Capital Fund			
a. Contribution by Settlor	1	5,000	5,000
b. Reserves & Surplus	2	55,38,71,650	45,48,72,333
2 Other Funds			
a. Units	3	199,59,69,211	199,59,69,211
b. Loans Borrowed	4	2249,58,47,411	1935,65,83,575
3 Current Liabilities	5	106,28,12,819	97,07,79,466
TOTAL		2610,85,06,091	2277,82,09,585
APPLICATION OF FUNDS			
4 Loans Disbursed	6	2217,43,49,056	1956,80,22,558
5 Current Assets	7	393,41,57,035	321,01,87,027
6 Notes including Significant Accounting Policies	10 to 12		
TOTAL		2610,85,06,091	2277,82,09,585

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

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

Sd/-
G.Naganathan
Partner
Membership No.022456

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

Sd/-
Harmander Singh, IAS
Chairman

Place: Chennai
Date: 25.06.2018

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018

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

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

8

TAMIL NADU URBAN DEVELOPMENT FUND**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018**

Particulars		For the Year Ended 31/03/2018	For the Year Ended 31/03/2017
		(₹)	
A	Cash flow From Operating Activities		
	Surplus before Tax	15,94,95,587	10,36,23,572
	<i>Operating Surplus before Working Capital Changes</i>	15,94,95,587	10,36,23,572
	Adjustments for changes in :		
	Current Assets	(16,54,67,272)	(45,40,79,060)
	Current Liabilities	3,15,37,083	4,43,03,088
	<i>Cash Generated from Operations</i>	2,55,65,398	(30,61,52,400)
	Less: Tax Paid / Tax Deducted at source	(17,68,93,545)	(9,11,91,461)
	Net Cash from / (Used in) Operating Activities	(15,13,28,147)	(39,73,43,861)
B	Cash Flow from Investing Activities		
	Loans Disbursed (Net)	(260,63,26,498)	(299,63,18,537)
	Investment (Net)	0	13,87,488
	Net Cash used in Investing Activities	(260,63,26,498)	(299,49,31,049)
C	Cash Flow from Financing Activities		
	Unit	0	0
	Borrowings (Net)	313,92,63,836	217,00,48,873
	Net Cash from Financing Activities	313,92,63,836	217,00,48,873
	Net (Decrease) / Increase in Cash & Cash Equivalents (A + B + C)	38,16,09,191	(122,22,26,037)
	Cash and Cash equivalents at the beginning of the Accounting Period	119,03,64,189	241,25,90,226
	Cash and Cash equivalent at the end of the Accounting Period	157,19,73,380	119,03,64,189

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

Sd/-
G.Naganathan
Partner
Membership No.022456

Sd/-Sd/-

Kakarla Usha, IAS**Harmander Singh, IAS**

DirectorChairman

Tamil Nadu Urban Infrastructure Trustee

Company Limited

(Trustees)

Place: Chennai
Date: 25.06.2018

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

Details	As at 31/03/2018	As at 31/03/2017
	(₹)	
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	42,82,31,544	27,47,72,146
Add : Transfer during the year	9,89,99,317	15,34,59,398
	52,72,30,861	42,82,31,544
Total	55,38,71,650	45,48,72,333
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	1121,87,13,576	928,33,56,188
2 Loans under JICA line of credit	260,27,00,000	260,27,00,000
3 Loans under KfW line of credit	867,44,33,835	747,05,27,387
Total	2249,58,47,411	1935,65,83,575

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

Details	As at 31/03/2018	As at 31/03/2017
	(₹)	
Note- 5		
Current Liabilities		
1 Current Liabilities		
a. Expenses payable	2,70,000	2,27,700
b. Amount received in advance from borrowers	34,85,57,741	35,30,45,892
c. Interest accrued but not due on borrowings	41,78,22,659	38,18,39,725
2 Provisions for income tax	29,61,62,419	23,56,66,149
Total	106,28,12,819	97,07,79,466
Note -6		
Loans Disbursed		
1 Loans to Urban Infrastructure Projects	2226,34,02,667	1964,66,08,994
Less: Provisions	8,90,53,611	7,85,86,436
Total	2217,43,49,056	1956,80,22,558
Note- 7		
Current Assets		
1 Cash and Cash Equivalents		
a. In Savings Bank Accounts	4,45,73,380	1,74,64,189
b. In Public Deposit Account	152,74,00,000	117,29,00,000
2 Current Investments		
a. Term Deposits with Companies	112,07,87,672	102,34,87,901
3 Other Current Assets		
a. Interest accrued on deposits and investments	4,71,44,347	3,24,73,244
b. Interest accrued on loans disbursed	50,66,12,966	45,31,16,568
c. Income Tax Paid under protest (Net)	3,35,42,608	3,35,42,608
d. Income tax paid in Advance / Tax Deducted at Source	65,40,96,062	47,72,02,517
Total	393,41,57,035	321,01,87,027

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

Details	For the Year 2017-18	For the Year 2016-17
Note- 8		
Financial Cost		
1 Interest on Units	16,56,65,445	16,56,65,445
2 Interest on loans borrowed	154,86,56,478	130,96,78,680
Total	171,43,21,923	147,53,44,125
Note- 9		
Management Fee & Other Operating Expenses		
1 Management Fees	4,00,82,989	5,99,71,754
2 Front End Fees on loans borrowed	3,50,00,000	2,50,00,000
3 Auditors' Remuneration		
- Audit	1,77,000	1,56,000
-Tax Audit	23,600	17,250
4 Other Expenses	12,67,180	16,40,725
Total	7,65,50,769	8,67,85,729

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

Note – 10 - Significant Accounting Policies

a. Basis of Accounting

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

b. Fixed Assets

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

c. Depreciation

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

d. Investments

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

e. Income Recognition

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

f. Employee Retirement Benefits

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

g. Borrowing Costs

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

h. Impairment of Assets

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

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

i. Taxes on Income

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

j. Provision, Contingent Liability & Contingent Assets

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

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

Note – 11 - Notes on Accounts

a. Capital Fund

i. Capital Reserve

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

ii. Net Income

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

b. Loans Borrowed

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

TAMIL NADU URBAN DEVELOPMENT FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

c. Loans Disbursed and Provisioning Norms thereof

The loans disbursed by the Trust are unsecured in nature. The loan dues (payment of interest and repayment of principal) are collected in accordance with the agreement entered into with the borrowers and the orders of the Government of Tamil Nadu in force from time to time. All the loan dues have been collected by the Trust as on 31st March 2018. Provision @0.40% on the loan balance has been provided for as a prudent measure.

d. Capital commitments, contingent liabilities and others:

- i) Term loans pending disbursement against sanction for which funds have been received from the Government is ₹ 77.48 crores (as on 31st March 2017 is ₹ 18.08 crores).
- ii) The Trust has been assessed to income tax, disregarding the stand of the Trust, for the Assessment Years 1997-98 to 2009-10 and demands have been raised by the Income Tax authorities. The Trust has gone on appeal before the appellate authorities against the orders passed by the Assessing Officer (AO) for all the above years. The Income Tax Appellate Tribunal (ITAT) has passed orders for AY 1997-98 to AY 2007-08 stating that the appeals are allowed for statistical purposes as the case have been remanded back to the Assessing Officer for fresh consideration. The AO has passed order / proceeding stating that the claim regarding exemption of income is not in order and requires to be rejected. In view of the above, Writ Petition before the Hon'ble High Court Judicature at Madras have been filed for the AY 1997-98 to AY 2005-06 and the Form No. 8 has been filed for the AY 2006-07 and 2007-08 with Commissioner of Income Tax (Appeals) as the matter is identical to the issues relating to AY 1997-98 to AY 2005-06. For the Assessment Years 2008-09 and 2009-10 appeal filed with ITAT against the orders of AO has been allowed by ITAT. A sum of ₹ 88,42,86,608/- has been paid towards income tax under protest for the above said Assessment Years and a sum of ₹ 85,07,44,000/- has been provided for contingencies as of 31 March 2009. The net amount of ₹ 3,35,42,608/- is shown under Current Assets.
- iii) For the Assessment Years 2010-11 to 2015-16 the Trust has gone on appeals for the disallowances made by the AO. The contingent liability for the said AYs is ₹ 37,53,70,894/- (tax demanded is ₹ 53,80,81,380/- and the provision for tax made is ₹ 16,27,10,486/-).

e. Expenditure and earnings in Foreign Currency:

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

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

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

Sd/-
G.Naganathan
Partner
Membership No.022456

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

Sd/-
Harmander Singh, IAS
Chairman

Place: Chennai
Date: 25.06.2018

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 21st Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018

1 FINANCIAL SUMMARY

Amount in Lakhs

Particulars	2017-18	2016-17
Total Income	0.91	0.77
Total Expenditure	0.73	0.70
Net Profit before tax	0.18	0.07
Net Profit after tax	0.19	0.06
Net Worth	11.07	10.88

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 2017-18.

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.	27.06.2017	9	6
2.	25.09.2017	9	6
3.	21.12.2017	9	5
4.	15.03.2018	9	7

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, 2018, 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, 2018 and of the profit and loss of the Company for the financial year ended 31st March, 2018;
- 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 2017-18, Mr. Harmander Singh, IAS, has been appointed as Chairman in the place of K.Phanindra Reddy, IAS. Mrs.Pooja Kulkarni, IAS has been appointed as Director in the place of Mr.R.S.Manoharan. Mr.S.Krishnan, IAS has been appointed as Director in the place of Mr.Dharmendera Pratap Yadav, IAS. Mr.T.V.Somanthan, IAS has been appointed as Director in the place of Mr.S.Krishnan, IAS, and Mr. Ashish Vachhani, IAS has been appointed as Director in the place of Mr.T.V.Somanthan, IAS.

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, Mrs. Kakarla Usha, IAS and Mr.G.Vetrivel 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

The Company in its 20th Annual General Meeting held on 27.06.2017 appointed M/s. Ponraj & Co., Chartered Accountants, Chennai (Firm Registration No. 002672S) as Statutory Auditors of the Company for a period of five years commencing from the financial year 2017-18 (subject to ratification by members at every Annual General Meeting) on a remuneration of Rs.20,000/- (plus GST as applicable) per annum. Hence, the auditor M/s. Ponraj & Co., Chartered Accountants may be appointed as Statutory Auditors for the financial year 2018-19 (second year), on a remuneration of Rs.20,000/- (plus GST as applicable) per annum, subject to ratification of the shareholders.

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

Place: Chennai
Date : 25.06.2018

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 : 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) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs										
c) Others (specify)										
SUB TOTAL (B)(2):		0	0	0		0	0	0	0	
Total Public Shareholding (B)= (B)(1)+(B)(2)		0	0	0		0	0	0	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 on 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. HARMENDER SINGH	100	0.10%	0%	100	0.10%	0%	0%
6	MRS. POOJA KULKARNI	100	0.10%	0%	100	0.10%	0%	0%
7	MR.G.PRAKASH	100	0.10%	0%	100	0.10%	0%	0%
8	MR. CHANDRAKANT B KAMBLE	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	For Each of the Top 10 Shareholders	-	-	-	-
2	At the beginning of the year	-	-	-	-
3	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	0	0.07%	700	0.00%
	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	0.07%	700	0.00%
	At the end of the year	-	-	-	-

DIRECTORS SHAREHOLDING

1	MR. HARMANDER SINGH	100
2	MRS. POOJA KULKARNI	100
3	MR. G. PRAKASH	100
4	MR.CHANDRAKANTH B KAMBLE	100
5	MR.THALLAM SREEKUMAR	100
6	MR.G.VERTIVEL	100
7	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
Indebtness at the beginning of the financial year	-nil-	-nil-	-nil-	-nil-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-nil-	-nil-	-nil-	-nil-
Change in Indebtedness during the financial year				
Additions				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-nil-	-nil-	-nil-	-nil-

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD/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
	Celling 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/MTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
1	Gross Salary	CEO	Company Secretary	CFO	Total	
	(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: U65991TN1996PLC036866

To

The Members

M/S TAMILNADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

No. 19, T.P Scheme Road,

Raja Street Extension,

Raja Annamalaipuram,

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, 2018. 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 27-06-2017, 25-09-2017, 21-12-2017, and 15-03-2018 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, 2017 was held on 25th September 2017, 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 : 15.05.2018

Signature : sd/-
Name of Company Secretary : T.Murugan
C.P.No: 4393

**Annexure A: -
Registers maintained by the Company**

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

Annexure B:

1. Form MGT - 14 Filed on 11/07/2017 - SRN G47979372
2. Form DIR - 12 Filed on 11/07/2017 - SRN G47978713
3. Form ADT - 1 Filed on 09/10/2017 - SRN G55355820
4. Form DIR - 12 Filed on 12/10/2017 - SRN G56070279
5. Form AOC - 4 Filed on 19/10/2017 - SRN G57159113
6. Form MGT - 7 Filed on 06/11/2017 - SRN G60135423
7. Form DIR - 12 Filed on 08/01/2018 - SRN G72946692

PONRAJ & CO

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 2018 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 2018 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2018 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.

For PONRAJ & CO
Chartered Accountants
FRN – 002672s
Sd/-

CA. N. RAGURAM
Partner

Place: Chennai
Date : 25.06.2018

Trade Center, 2nd Floor, 108, Wallaja Road, Anna Salai, Chennai - 600 002. Email : Ponrajca@gmail.com

PONRAJ & CO

Chartered Accountants

Annexure A to the Independent Auditor's Report - 31 March 2018

- 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. However, the company does not own any fixed assets on the date of balance sheet and hence physical verification of assets has not been carried out.
- c. Based on our audit procedures performed for the purpose of reporting true and fair view of the financials statements and according to the information and explanations given by the management, the company does not own any immovable property.
- ii. The Company is a service company and it does not hold inventories. Hence, clause 3 (ii) of the Order is not applicable to the Company.
- iii. There are no companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the Company.
- vii. a. 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 is 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 person 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.

For **PONRAJ & CO**
Chartered Accountants
FRN – 002672s
Sd/-
CA. N. RAGURAM
Partner

Place: Chennai
Date : 25.06.2018

Trade Center, 2nd Floor, 108, Wallaja Road, Anna Salai, Chennai - 600 002. Email : Ponrajca@gmail.com

PONRAJ & CO

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 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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.

Place: Chennai
Date : 25.06.2018

For PONRAJ & CO
Chartered Accountants
FRN – 002672s
Sd/-

CA. N. RAGURAM
Partner
Membership Number : 210771

TAMILNADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

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

BALANCE SHEET AS AT 31ST MARCH 2018

	Note No.	As at 31.03.2018	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	99,965	81,335
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	5	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	23,600	13,800
c. Short Term Provisions		0	0
Total		11,30,565	11,02,135
II. ASSETS			
1. Non Current Assets			
a. Fixed Assets			
i. Tangible Assets		0	0
ii. Intangible Assets		0	0
iii. Capital work in progress		0	0
b. Non current Investments		0	0
c. Long term Loans and Advances		0	0
d. Other Non-current Assets		0	0
2. Current Assets			
a. Current Investments	6	10,00,000	50,000
b. Inventories		0	0
c. Trade Receivables		0	0
d. Cash and Bank Balance	7	97,935	9,62,692
e. Short Term Loans and Advances		0	0
f. Other Current Assets	8	32,630	89,443
Total		11,30,565	11,02,135
Notes including Significant Accounting Policies	1 to 13		

The Notes referred to above form an integral part of the Financial Statements
As per our report of even date

For Ponraj & Co.
Chartered Accountants
Firm Reg. No. 002672S

For and on behalf of the Board of Directors

Sd/-
CA. N. Raghuram
Partner
Membership No. 210771

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

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

Place : Chennai
Date : 25.06.2018

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 2018

Particulars	Note No.	For the Year ended 31.03.2018	For the Year ended 31.03.2017
		(₹)	
I. Revenue from Operations		0	0
II. Other Income	9	90,785	77,318
III. Total Revenue (I+II)		90,785	77,318
IV. Expenses			
Employee Benefits		0	0
Finance Cost		0	0
Depreciation and amortization Expenses		0	0
Other Expenses	10	72,600	69,850
Total Expenses		72,600	69,850
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		18,185	7,468
VI. Exceptional Items		0	0
VII. Profit Before Extraordinary Items and Tax (V - VI)		18,185	7,468
VIII. Extraordinary Items		0	0
IX. Profit Before Tax (VII - VIII)		18,185	7,468
X. Tax Expense			
1. Current Tax		4,700	2,250
2. Prior Years Tax		(5,145)	(1,150)
3. Deferred Tax		0	0
XI. Profit for the year from continuing operations (IX - X)		18,630	6,368
XII. Earnings Per Share (Basic & Diluted)	11.3	0.19	0.06
Notes including Significant Accounting Policies	1 to 13		

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

As per our report of even date

For Ponraj & Co.

Chartered Accountants

Firm Reg. No. 002672S

For and on behalf of the Board of Directors

Sd/-

CA. N. Raghuram

Partner

Membership No. 210771

Place : Chennai

Date : 25.06.2018

Sd/-

Kakarla Usha, IAS

Director

DIN No.07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No.03291250

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31st March 2018

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 2018

Note 3: Share Capital

Particulars	As at 31 st March, 2018		As at 31 st March, 2017	
	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, 2018			
- 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, 2017			
- 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, 2018		As at 31 st March, 2017	
	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 2018

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	(₹)	
Note 4: Reserves and Surplus		
(a) General reserve	0	0
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	81,335	74,967
Add: Profit / (Loss) for the year	18,630	6,368
Total	99,965	81,335
Note 5: Other Current Liabilities		
Other payables		
(i) Statutory remittances	0	0
(ii) Contractually reimbursable expenses	23,600	13,800
Total	23,600	13,800
Note 6: Current Investment		
Deposit with Companies	10,00,000	50,000
Total	10,00,000	50,000

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	(₹)	
Note 7: Cash and Bank Balances		
(A) Cash and Cash Equivalents		
(a) Cash on hand	0	0
(b) Balances with bank		
(i) In current account	97,935	12,692
(ii) Cash Credit Account	0	0
(iii) Deposit with original maturity of less than 3 months	0	0
Total - A	97,935	12,692
(B) Other bank balances		
(a) Deposit with original maturity for more than 3 months but Less than 12 months	0	9,50,000
(b) Unpaid dividend	0	0
(c) Cheques on hand	0	0
Total - B	0	9,50,000
Total – (A+B)	97,935	9,62,692
Note 8: Other Current Assets		
(a) Accruals		
(i) Interest accrued on deposits	0	59,600
(ii) Interest accrued on investments	0	0
(b) Others		
(i) Advance tax and TDS (net of provisions)	32,630	29,843
(ii) Term Deposits with Companies	0	0
Total	32,630	89,443
Note 9: Other income		
(a) Interest income		
On Investments(Tax-free)	0	0
On Term Deposits	90,486	77,153
(b) Other non-operating income		
Miscellaneous Income	299	165
Total	90,785	77,318

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
	(₹)	
Note 10: Other Expenses		
Administrative expenses	36,000	36,000
Printing and stationery	0	0
Filing Fees	4,000	5,600
Legal and professional	9,000	14,450
Payments to auditors: Statutory Audit Fees	23,600	13,800
Office Expenses	0	0
Bank Charges	0	0
Total	72,600	69,850

Note 11: Additional Information to the Financial Statements

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	(₹)	
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	18,630	6,368
Number of Equity Shares	1,00,700	1,00,700
Earning Per Share		
Basic	0.19	0.06
Diluted	0.19	0.06

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

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: Previous year's Figures

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

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

As per our report of even date

For PONRAJ & CO

Chartered Accountants

Firm Registration No. 002672s

For and on Behalf of the Board Of Directors

Sd/-

CA. N. RAGURAM

Partner

Membership No. 210771

Place: Chennai

Date : 25.06.2018

Sd/-

Kakarla Usha, IAS

Director

DIN No : 07283218

Tamil Nadu Urban Infrastructure Trustee Company Limited
(Trustees)

Sd/-

Harmander Singh, IAS

Chairman

DIN No : 03291250

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

DIRECTOR'S REPORT

To the Members,

Tamil Nadu Urban Infrastructure Financial Services Limited,

Your Directors have pleasure in submitting their 21st Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

1 FINANCIAL SUMMARY

Particulars	2017-18	2016-17
	₹ in Lakhs	
Income	882.63	1044.24
Expenses	523.70	508.05
Profit or Loss before Tax	358.93	536.19
Less: Current Tax	103.97	182.89
Prior Year Tax	(0.16)	(2.96)
Deferred Tax	(8.23)	0.02
Profit After Tax	263.35	356.24
Add: Balance as per last Balance Sheet	2572.28	2251.67
Less: Transfer to General Reserve	26.34	35.63
Less: Proposed Dividend	0	0
Less: Tax on Dividend	0	0
Surplus carried to Balance Sheet	2773.16	2572.28
Net Profit on Income (%)	29.84	34.11
Return on Net Worth (%)	8.14	11.84
Earnings Per Share (%)	26.32	35.60

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 31.3.2018. The dividend (₹30.02 lakhs) and dividend tax (₹6.17 lakhs) absorbs a sum of ₹36.19 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 ₹ 26.34 lakhs to General Reserve during the financial year ended 31st March 2018.

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 2017-18.

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.

As part of CSR initiatives, environmental education for sustainable development programs have been conducted for the benefit school children and teachers. A sum of ₹.8.44 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.

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.	27.06.2017	9	6
2.	25.09.2017	9	7
3.	21.12.2017	9	5
4.	15.03.2018	9	8

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, 2018, 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, 2018 and of the profit and loss of the Company for the financial year ended 31st March, 2018;
- 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 2017-18, Mr. Harmander Singh, IAS, has been appointed as Chairman in the place of K.Phanindra Reddy, IAS. Mr.Chandrakant B Kamble, IAS has been appointed as Director in the place of Mr.P.W.C. Davidar, IAS. Mrs.Pooja Kulkarni, IAS has been appointed as Director in the place of M.Arvind, IAS.

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.G.Prakash, IAS and Mr. G.Vetrivel 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

The Company in its 20th Annual General Meeting held on 25th September 2017 appointed M/s. Ponraj & Co, Chartered Accountants as Statutory Auditors for a period of 5 years commencing from the financial year 2017-18 (subject to ratification by the members at every Annual General Meeting) on a remuneration of Rs. 80,000/- (plus GST as applicable) per annum. Hence, the auditor M/s. Ponraj & Co, Chartered Accountants may be appointed as auditors for the financial year 2018-19 (second year), on a remuneration of ₹. 80,000/- (plus GST as applicable) per annum, subject to ratification of the Shareholders at every Annual General Meeting to be held during the period

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 : 25.06.2018

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
- iii Name of the Company : Tamil Nadu Urban Infrastructure Financial Services Limited
- iv Category/Sub-category of the Company : Non Government Company
- v Address of the Registered office & contact details : No.19, T.P.Scheme Road, Raja Street Extension, Raja Annamalaipuram, Chennai 600 028. 044 24643103
- vi Whether listed company : No
- vii Name , Address & contact details of the Registrar & Transfer Agent, if any. : 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	Other Financial Service Activities, Except insurance and Pension Funding Activities	64990	68.16 %
2			
3			

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) Individuals shareholders holding nominal share capital in excess of Rs.1 lakhs										
c) Others (specify)										
SUB TOTAL (B)(2):		0	0	0	0	0	0	0	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. HARMANDERSINGH	100	0.01%	0%	100	0.01%	0%	0%
6	MRS. POOJA KULKARNI	100	0.01%	0%	100	0.01%	0%	0%
7	MR.G.PRAKASH	100	0.01%	0%	100	0.01%	0%	0%
8	MR. CHANDRAKANT B KAMBLE	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		Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	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 (or on the date of separation, if separated during the year)	-	-	-	-

(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)				
	At the end of the year	0	0.07%	700	0.00%

DIRECTORS SHAREHOLDING

1	MR. HARMANDER SINGH	100
2	MRS. POOJA KULKARNI	100
3	MR. G. PRAKASH	100
4	MR.CHANDRAKANTH B KAMBLE	100
5	MR.THALLAM SREEKUMAR	100
6	MR.G.VERTIVEL	100
7	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,	Kakarla Usha, MD
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	198781	4260035
	(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)	198781	4260035
	Ceiling as per the Act	28,87,834	

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.	4526631	4526631
	(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	4526631	4526631

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 2017-18

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 90th Meeting held on 25.09.2017 comprising of three Directors viz., Mr. Harmander Singh, IAS, Principal Secretary to Government, Mr. Chandrakant B Kamble, IAS, Chairman and Managing Director, TUFIDCO and Mr. Thallam Sreekumar, ICICI Nominee.

iii. CSR Budget

The Board of the Company has approved budget of Rs.10.00 lakhs for the financial year 2017-18 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 50 education programs during the financial year 2017-18. 4280 (1831 boys, 2449 girls) students and 307 teachers were participated and benefitted through these education programs. During the financial year 2017-18, a sum of Rs. 8.44 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. 8.44 lakhs	Rs. 8.44 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: 25.06.2018

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, T.P Scheme Road,

Raja Street Extension

Raja Annamalaipuram,

Chennai - 600028

I have examined the registers, records, books and papers of M/S. TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED (the Company) as required to be maintained under the Companies Act, 2013, (the Act) and the rules made thereafter and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2018. In my opinion and to the best of my information and according to the examinations carried out by me and the explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions of the Companies Act, 2013, and the rules made there under and all entries have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under or otherwise with additional fees for late filing of forms/returns under the Act and the rules made there under.
3. The Company being a Public Limited Company, the provisions of Section 2(68) of Companies Act 2013 are not applicable to this Company.
4. The Board of Directors duly met 4 times on 27-06-2017, 25-09-2017, 21-12-2017 and 15-03-2018 with 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 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 : 15.05.2018

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

Annexure A: -

Registers maintained by the Company

- a) Register of Members
- b) Register of Directors.
- c) Register of Directors' Shareholding.
- d) Declaration of Interest.
- e) Minutes of Board Meetings.
- f) Minutes of General Body Meeting.

Annexure B:

1. DIR - 12 Filed on 11.07.2017 - SRN No. G47977145
2. MGT - 14 Filed on 11.07.2017 - SRN No. G47977749
3. ADT - 1 Filed on 09.10.2017 - SRN No. G55354153
4. DIR - 12 Filed on 12.10.2017 - SRN No. G56058357
5. AOC - 4 Filed on 16.10.2017 - SRN No. G56732829
6. MGT - 7 Filed on 27.10.2017 - SRN No. G58697046

PONRAJ & 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 2018, 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 2018, 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 2018 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2018 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.

Place: Chennai
Date : 25.06.2018

For **PONRAJ & CO**
Chartered Accountants
FRN – 002672s
Sd/-

CA. N. RAGURAM
Partner

Membership Number : 210771

Trade Center, 2nd Floor, 108, Wallaja Road, Anna Salai, Chennai - 600 002. Email : Ponrajca@gmail.com

PONRAJ & CO
Chartered Accountants

Trade Center, 2nd Floor, 108, Wallaja Road, Anna Salai, Chennai - 600 002.

Email : Ponrajca@gmail.com

PH No : 044 28549953

Annexure A to the Independent Auditor's Report - 31 March 2018 - (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 deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the Company.
- vii. a. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Service Tax and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable
- b. According to the information and explanations given to us and the records of the Company examined by us, there are no dues which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

PONRAJ & CO
Chartered Accountants

Trade Center, 2nd Floor, 108, Wallaja Road, Anna Salai, Chennai - 600 002.

Email : Ponrajca@gmail.com

PH No : 044 28549953

- 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.

Place: Chennai
Date : 25.06.2018

For PONRAJ & CO
Chartered Accountants
FRN – 002672s
Sd/-

CA. N. RAGURAM
Partner
Membership Number : 210771

PONRAJ & CO

Chartered Accountants

Trade Center, 2nd Floor, 108, Wallaja Road, Anna Salai, Chennai - 600 002.

Email : Ponrajca@gmail.com

PH No : 044 28549953

Annexure B to the Independent Auditor's Report 31 March 2018 - (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 2018 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.

PONRAJ & CO

Chartered Accountants

Trade Center, 2nd Floor, 108, Wallaja Road, Anna Salai, Chennai - 600 002.

Email : Ponrajca@gmail.com

PH No : 044 28549953

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 [hat 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 [he 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PONRAJ & CO
Chartered Accountants
FRN – 002672s
Sd/-

CA. N. RAGURAM
Partner

Membership Number : 210771

Place: Chennai

Date : 25.06.2018

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 2018

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
		(₹)	
I. EQUITY AND LIABILITY			
Shareholders' Funds			
a. Share Capital	3	1,00,07,000	1,00,07,000
b. Reserves & Surplus	4	31,36,67,804	29,09,46,122
Non Current Liabilities			
a. Long Term Borrowings		0	0
b. Deferred Tax Liabilities		0	0
c. Other Long Term Liabilities		0	0
d. Long Term Provisions	5	1,02,81,070	82,10,164
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	82,63,295	65,34,839
c. Short Term Provisions	7	4,38,119	3,27,918
Total		34,26,57,288	31,60,26,043
II. ASSETS			
1.Non Current Assets			
a. Fixed Assets			
i. Tangible Assets	8	40,03,064	32,23,100
ii. Intangible Assets		0	0
iii. Capital work in progress		16,28,853	0
b. Non Current Investments	9	6,91,40,000	2,55,20,000
c. Deferred Tax Asset	19.7	42,30,007	34,06,690
d. Long-term Loans and Advances		0	0
e. Other Non-current Assets		0	0
2.Current Assets			
a. Current Investments	10	21,15,66,593	21,02,80,438
b. Inventories		0	0
c. Trade Receivables	11	27,000	27,000
d. Cash and Bank Balance	12	1,69,56,834	4,24,54,626
e. Short Term Loans and Advances	13	8,04,571	7,64,002
f. Other Current Assets	14	3,43,00,366	3,03,50,187
Total		34,26,57,288	31,60,26,043
Notes including Significant Accounting Policies	1 to 21		

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

For Ponraj & Co.

Chartered Accountants

Firm Reg. No. 002672S

Sd/-

CA.N. Raguram

Partner

Membership No. 210771

For and on behalf of the Board of Directors

Sd/-

Kakarla Usha, IAS

Managing Director

DIN No.07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No.03291250

Sd/-

A.Jayaraman

Senior Vice President & Company Secretary

Place : Chennai

Date : 25.06.2018

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 2018

Particulars	Note No.	For the Year ended 31.03.2018	For the Year ended 31.03.2017
		(₹)	
I. Revenue from Operations	15	6,07,49,632	7,93,39,865
II. Other Income	16	2,75,13,782	2,50,83,690
III. Total Revenue (I+II)		8,82,63,414	10,44,23,555
IV. Expenses			
Employee Benefits	17	3,79,44,242	3,66,29,705
Finance Cost		0	0
Depreciation and amortization Expenses	8	25,47,934	22,87,481
Other Expenses	18	1,18,78,338	1,18,87,449
Total Expenses		5,23,70,514	5,08,04,635
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		3,58,92,900	5,36,18,920
VI. Exceptional Items		0	0
VII. Profit Before Extraordinary Items and Tax (V - VI)		3,58,92,900	5,36,18,920
VIII. Extraordinary Items		0	0
IX. Profit Before Tax (VII - VIII)		3,58,92,900	5,36,18,920
X. Tax Expense			
1.Current Tax		1,03,97,000	1,82,89,000
2.Prior Years Tax		(15,722)	(2,96,247)
3.Deferred Tax		(8,23,317)	1,752
XI. Profit for the year from continuing operations (IX-X)		2,63,34,939	3,56,24,415
XII. Earnings Per Share (Basic & Diluted)	19.6	26.32	35.60
Notes including Significant Accounting Policies	1 to 21		

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

As per our report of even date

For Ponraj & Co

Chartered Accountants

Firm Reg. No. 002672S

For and on behalf of the Board of Directors

Sd/-

CA. N. Raghuram

Partner

Membership No. 210771

Sd/-

Kakarla Usha, IAS

Managing Director

DIN No.07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No.03291250

Place: Chennai

Date: 25.06.2018

Sd/-

A.Jayaraman

Senior Vice President & Company Secretary

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 2018

	Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
		(₹)	
A.	Cash flow From Operating Activities		
	Profit before Tax	3,58,92,900	5,36,18,920
	Add: Depreciation	25,47,934	22,87,481
	Loss / (Profit) on sale of Fixed Assets	(14,073)	5,226
	Less: Interest Received	(2,74,97,349)	(2,48,91,073)
	Decrease/(Increase) in Deferred Tax Assets	(8,23,317)	1,752
	Add: Provision for Earned Leave	21,81,107	14,18,555
	Operating Profit before Working Capital Changes	1,22,87,202	3,24,40,861
	Adjustments for		
	Add: Increase in Current Liabilities and Decrease in Current Assets	17,28,456	15,79,407
	Less: Increase in Current Assets and Decrease in Current Liabilities	(39,90,748)	(1,61,52,871)
	Cash Generated from Operations	1,00,24,910	1,78,67,397
	Less: Income Tax paid	(95,57,961)	(1,79,94,505)
	Net Cash from Operating Activities (A)	4,66,949	(1,27,108)
B.	Cash flow from Investing Activities		
	Interest Received	2,74,97,349	2,48,91,073
	Sale of Assets	21,660	8,445
	Purchase of Assets	(49,64,338)	(11,04,804)
	Less: Increase in Deposits and Loans & Advances	(4,49,06,155)	(16,77,963)
	Net Cash From Investing Activities (B)	(2,23,51,484)	2,21,16,751
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)	(2,54,97,792)	1,83,76,386
	Cash and Cash equivalents at the beginning of the Accounting period	4,24,54,626	2,40,78,240
	Cash and Cash equivalent at the end of the Accounting period	1,69,56,834	4,24,54,626
Notes including Significant Accounting Policies 1 to 21			

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

For Ponraj & Co

Chartered Accountants
Firm Reg. No. 002672S

Sd/-

CA. N. Raghuram
Partner
Membership No. 210771

For and on behalf of the Board of Directors

Sd/-

Kakarla Usha, IAS
Managing Director
DIN No.07283218

Sd/-

Harmander Singh, IAS
Chairman
DIN No.03291250

Sd/-

A.Jayaraman
Senior Vice President & Company Secretary

Place: Chennai
Date: 25.06.2018

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

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 2018

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 2018

Note 3: Share Capital

Particulars	As at 31 st March, 2018		As at 31 st March, 2017	
	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 01.04.2017	Fresh issue	Closing Balance as on 31.03.2018
Equity shares with voting rights Year ended 31 st March, 2018			
- Number of shares (Face Value of ₹10 each)	10,00,700	0	10,00,700
- Amount (₹)	1,00,07,000	0	1,00,07,000
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

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

Class of shares / Name of shareholder	As at 31 st March, 2018		As at 31 st March, 2017	
	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 2018

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	(₹)	
Note 4: Reserves and Surplus		
(a) General reserve		
Opening balance	3,37,17,667	3,01,54,667
Add: Transferred from surplus in Statement of Profit and Loss	26,34,000	35,63,000
Closing balance (a)	3,63,51,667	3,37,17,667
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	25,72,28,455	22,51,67,040
Add: Profit / (Loss) for the year	2,63,34,939	3,56,24,415
	28,35,63,394	26,07,91,455
Less:		
Dividends proposed to be distributed to Equity Shareholders (`3 per share)	30,02,100	0
Tax on dividend	6,11,157	0
Transferred to General reserve	26,34,000	35,63,000
Closing balance (b)	27,73,16,137	25,72,28,455
Total (a + b)	31,36,67,804	29,09,46,122
Note 5: Long Term Provisions		
Provision for employee benefits:		
Provision for earned leave	1,02,81,070	82,10,164
Total	1,02,81,070	82,10,164
Note 6: Other Current Liabilities		
Other payables		
(i) Statutory remittances	23,24,022	1,714
(ii) Contractually reimbursable expenses	57,48,016	65,08,125
(iii) Others	1,91,257	25,000
Total	82,63,295	65,34,839
Note 7: Short-term Provisions		
(a) Provision for employee benefits		
(i) Provision for earned leave	4,38,119	3,27,918
(ii) Others	0	0
(b) Provision - Others:		
(i) Provision for income tax (Net off prepaid taxes)	0	0
(ii) Provision for proposed equity dividend	0	0
(iii) Provision for tax on proposed dividend	0	0
(iv) Provision - others	0	0
Total	4,38,119	3,27,918

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

Note 8 (a) : Fixed Assets - Current financial year 2017-18

(in ₹)

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

Note 8 (b) : Fixed Assets - Previous 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

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	Unquoted	
	(₹)	
Note 9: Non-current Investments		
Investments (At cost):		
A. Trade		
B. Other investments (Long Term)		
Investment in Debentures or Bonds of Other entities		
7.50% -10 years Unsecured Redeemable non		
convertible tax free pooled finance development		
bonds of ₹ 60,000 (Previous year ₹ 80,000)		
each issued under the pooled finance development	1,91,40,000	2,55,20,000
fund scheme of Government of India by Water and		
Sanitation Pooled Fund		
(319 numbers)		
8.25% - 12 year Unsecured Redeemable		
Non- Convertible	5,00,00,000	0
taxable pooled bonds of Rs.10,00,000/- each by Water		
and Sanitation Pooled Fund (50 numbers)		
Total	6,91,40,000	2,55,20,000
Note 10: Current Investments		
Deposit with companies	21,15,66,593	21,02,80,438
Total	21,15,66,593	21,02,80,438
Note 11: Trade Receivables		
Trade receivables outstanding for a period exceeding six		
months from the date they were due for payment		
Unsecured, considered good	27,000	27,000
Other Trade receivables		
Unsecured, considered good	0	0
Total	27,000	27,000
Note 12: Cash and Bank Balances		
A) Cash and Cash Equivalents		
a) Cash on hand	0	0
b) Balance with Bank		
(i) Current Account	89,56,834	99,54,626
(ii) Cash Credit Account	0	0
(iii) Deposit with original maturity of less than 3 months	80,00,000	3,25,00,000
(c) Cheques on hand	0	0
Total (a)	1,69,56,834	4,24,54,626
(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	0	0
guarantee and other commitments		
Total (b)	0	0
Total (a+b)	1,69,56,834	4,24,54,626

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	(₹)	
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	2,86,600	2,49,520
Travelling and other advances	1,20,720	50,810
(d) Prepaid expenses – 'Unsecured, considered good'	3,80,501	4,21,219
(e) Others - 'Unsecured, considered good'	0	25,703
Total	8,04,571	7,64,002
Note 14: Other Current Assets		
(a) Accruals		
(i) Interest accrued on deposits	2,30,04,882	2,47,91,866
(ii) Interest accrued on investments	44,07,444	10,69,742
(b) Others		
Advance tax and TDS (net of provisions)	68,88,040	44,88,579
Total	3,43,00,366	3,03,50,187
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	(₹)	
Note 15: Revenue from Operations		
Sale of Services - Revenue from Operations		
Appraisal fees	3,40,11,357	4,45,62,406
Supervision & recovery fees	2,52,31,061	3,37,56,049
Treasury Management Fees	1,07,214	92,801
Professional fees	14,00,000	9,28,609
GST / Service tax collected	1,04,84,696	1,19,09,040
	7,12,34,328	9,12,48,905
Less: GST / Service tax paid	1,04,84,696	1,19,09,040
Total	6,07,49,632	7,93,39,865

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
	(₹)	
Note 16: Other Income		
(a) Interest Income		
On Investments(Tax-free)	16,46,565	21,25,064
On Investments(Taxable)	36,27,740	0
On Term Deposits	2,22,23,044	2,27,66,009
(b) Other non-operating income		
Profit on sale of Fixed Assets	14,073	0
Miscellaneous Income	2,360	1,92,617
Total	2,75,13,782	2,50,83,690
Note 17: Employee Benefits		
Salaries and wages	3,17,10,362	3,14,08,611
Contributions to provident and other funds	53,19,008	43,02,748
Staff welfare expenses	9,14,872	9,18,346
Total	3,79,44,242	3,66,29,705
Note 18: Other Expenses		
Rent	29,47,950	28,07,550
Electricity	7,14,712	6,74,823
Repairs and maintenance - Others	1,54,470	1,57,462
Insurance	2,86,472	2,20,390
Rates and taxes	24,382	29,068
Communication	6,11,585	5,85,194
Travelling and conveyance	32,68,637	38,30,105
Printing and stationery	3,78,529	2,82,628
Legal and professional charges	85,055	1,68,257
Payments to auditors - Audit fees	80,000	70,000
- Tax audit fees	20,000	15,000
Office Expenses	17,91,712	16,77,581
Directors sitting fees	1,30,000	0
Security Charges	2,28,598	2,05,440
Loss on sale of Fixed Assets / written off	0	5,226
Miscellaneous expenses	3,12,274	2,29,167
CSR Expenses	8,43,962	9,29,558
Total	1,18,78,338	1,18,87,449

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

Note 19: Additional information to the financial statements

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	(₹)	
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

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Present Value of Obligations – opening balance	55.50	44.96
Interest Cost	4.44	3.60
Current Service Cost	4.87	4.34
Benefits paid	0	0
Actuarial (gain)/loss on obligations	8.58	2.60
Present Value of Obligations – closing balance	73.39	55.50

Changes in fair value of plan assets

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Fair Value of plan assets – opening balance	62.72	51.58
Expected return on plan assets	5.26	4.31
Contributions	13.11	6.83
Benefits Paid	0	0
Actuarial (gain)/loss on plan assets	Nil	Nil
Fair value of plan assets – closing balance	81.09	62.72

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

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

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Present Value of Obligations as at the end of the year	73.39	55.50
Fair value of plan assets at the end of the year	81.10	62.73
Liability recognized in the Balance Sheet	7.71	7.23

Principal Assumptions used in determining post-employment benefit

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	7.00%

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 and hence no liability is recognized in the books of accounts of the company.

19.6: Earnings Per Share

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	(₹)	
Profit After Tax	2,63,34,939	3,56,24,415
Number of Equity Shares	1000700	1000700
Earning Per Share		
Basic	26.32	35.60
Diluted	26.32	35.60

19.7: Deferred Tax

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	(₹)	
Deferred tax arising out of -		
(i) Depreciation	12,76,602	10,54,235
(ii) Employee Benefits	29,53,405	23,52,455
	42,30,007	34,06,690

TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

Note	Particulars	As at 31 st March, 2018	As at 31 st March, 2017
		(₹)	
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 2018 (previous year ₹ 3/- per share - 30% on paid-up equity share capital), subject to the approval of the shareholders at the ensuing Annual General Meeting. In accordance with revised "Accounting Standards (AS) 4 - Contingencies and Events Occurring After the Balance Sheet Date notified by the Ministry of Corporate Affairs (MCA) Notification No.216 dated 30.03.2016, the proposed dividend including corporate dividend tax amounting to ₹ 36.19 lakhs has not been shown as an appropriation from statement of profit & loss as of March 31, 2018 and consequently not reported the same under Other Liabilities and Provisions as of March 31, 2018.

Note 21: Previous year's figures

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

As per our report of even date

For Ponraj & Co

Chartered Accountants
Firm Reg. No. 002672S

For and on behalf of the Board of Directors

Sd/-

CA. N. Raghuram

Partner

Membership No. 210771

Sd/-

Kakarla Usha, IAS

Managing Director

DIN No.07283218

Sd/-

Harmander Singh, IAS

Chairman

DIN No.03291250

Sd/-

A.Jayaraman

Senior Vice President & Company Secretary

Place: Chennai

Date: 25.06.2018

WATER AND SANITATION POOLED FUND

Activity Report for the financial year 2017-18

1. Background

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

- i. Mobilize resources for urban infrastructure projects under pooled finance framework,
- ii. Provide financial assistance for implementation of urban infrastructure projects,
- iii. Enable Urban Local Bodies to access debt finance from the Capital market and
- iv. 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
Additional Secretary to the Government, Finance Department	Tursteer
Principal Secretary to the Government, Planning & Development Department	Tursteer
Principal 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 Rs. 302.30 crs has been raised by issue of bonds under pooled bond framework as detailed below:

1	Amount mobilized (Rs. in crs)	30.41	6.70	83.19	51.00	51.00	80.00
2	Coupon rate	9.20% Taxable	7.25% Tax-free	7.50% Tax-free	10.60% Taxable	8.71% Taxable	8.25% Taxable
3	Rating	AAA(SO)	AA(SO)	AA(SO)	AA(SO)	AA(SO)	AA(SO)
4	Tenor	15 years	10 years	10 years	10 years	10 years	12 years
5	No. of beneficiary ULBs	13	7	7	10	10	4
6	BSF / CREF / Cash Collateral (Rs. in crs)	6.90	1.50	18.50	19.00		14.50
7	Month and Year of Mobilization	December 2002	April 2008	September 2010	August 2012	May 2013	May 2017
8	Bond Balance as on 31.03.2018 (Rs. in crs)	0	1.34	43.37	51.00	51.00	80.00

Of the above, the first bond mobilized during the year 2002 has been fully redeemed. Out of the total bond issue of Rs.302.30 crores, a sum of Rs.75.59 crores has been redeemed and the outstanding bond balance as on 31.03.2018 is Rs.226.71 crores.

ii. National River Conservation Project (NRCP)

The Government has nominated the WSPF as the nodal agency for arranging funds (towards State Government's Contribution) for implementation of the Under-Ground Sewerage Projects under NRCP in the year 2003. Accordingly, a sum of Rs. 93.99 crores has been borrowed by WSPF from Tamil Nadu Urban Development Fund towards State Government's share of contribution under NRCP and the same has been provided for implementation of the schemes. The loan balance as on 31.03.2018 is Rs. 12.12 crores. The debt service of loans borrowed by WSPF is provided by Government of Tamil Nadu through budgetary allocation, every year.

iii. National Lake Conservation Project (NLCP)

The Government nominated the WSPF as the nodal agency for arranging funds (towards State Government's Contribution) for implementation of the Kodaikanal Lake Conservation Project implemented under NLCP in the year 2004. Accordingly, a sum of Rs. 1.73 crores has been borrowed by WSPF from Tamil Nadu Urban Development Fund towards State Government's share of contribution under NLCP and the same has been provided for implementation of the schemes. The loan balance as on 31.03.2018 is Rs. 0.40 crores. The debt service of loans borrowed by WSPF is provided by Government of Tamil Nadu through budgetary allocation, every year.

iv. Loan availed from HUDCO

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

5. Accounts and Audit

The Accounts for the financial year 2017-18 have been audited by M/s. N. Raja & Associates., Chartered Accountants, Chennai.

6. Acknowledgment

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

N.RAJA & ASSOCIATES

Chartered Accountants

Flat No.8, 1st floor,A block,"Veekay Manor" Gobalakrishna Road, T.Nagar,Chennai 600017
E-mail: nracas87@gmail.com TEL: 28150485, 28155414

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, 2018, 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, 2018 are prepared, in all material respects, in accordance with the Indian Trusts Act, 1882.

For N.Raja & Associates
Chartered Accountants
FRN-003388S

Place : Chennai
Date : 25.06.2018

Sd/-
Partner
(N.Raja)
Membership No.022890

WATER AND SANITATION POOLED FUND
(Trust of Government of Tamil Nadu)
BALANCE SHEET AS AT 31.03.2018

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
		(₹)	
SOURCES OF FUNDS			
1. Capital Fund			
Contribution by Settler		10,000	10,000
2. Other Funds			
a. Government Grant Account	1	147,56,98,558	158,46,72,516
b. Loans Borrowed	2	621,16,11,957	588,69,58,465
3. Current Liabilities	3	21,60,20,549	18,59,37,356
Total		790,33,41,064	765,75,78,337
APPLICATION OF FUNDS			
4. Loans Disbursed	4	578,65,18,434	504,63,82,718
5. Current Assets	5	211,68,22,630	261,11,95,619
Total		790,33,41,064	765,75,78,337
Notes including Significant Accounting Policies		1 to 11	

The notes referred to above form an integral part of the Financial statements

As per our report of even date attached

For N. Raja & Associates,

Chartered Accountants

Firm Reg. No.003388S

For Water and Sanitation Pooled Fund

Sd/-
N. Raja
Partner
Membership No.022890

Sd/-
Kakarla Usha, IAS
Member Secretary

Sd/-
Harmander Singh, IAS
Chairman

Place: Chennai
Date: 25.06.2018

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2018

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
		(₹)	
INCOME			
1. Interest on Loans Disbursed	6	50,68,89,704	48,08,25,461
2. Other Income	7	1,23,10,836	97,91,475
Total		51,92,00,540	49,06,16,936
EXPENDITURE			
3. Interest on Loans Borrowed	8	50,68,89,704	48,08,25,461
4. Other Expenses	9	1,23,10,836	97,91,475
Total		51,92,00,540	49,06,16,936
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			

As per our report of even date attached

For N. Raja & Associates,

Chartered Accountants

Firm Reg. No.003388S

For Water and Sanitation Pooled Fund

Sd/-

N. Raja

Partner

Membership No.022890

Sd/-

Kakarla Usha, IAS

Member Secretary

Sd/-

Harmander Singh, IAS

Chairman

Place: Chennai

Date: 25.06.2018

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2018

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
	(₹)	
Opening balances:		
-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 (A)	154,01,10,206	138,55,85,217
Receipts:		
Loan Installments Received - Principal	20,19,00,939	20,19,00,939
Loan Installments Received - Interest	19,87,31,000	13,66,59,167
Grant from Government of Tamil Nadu	21,47,89,669	41,03,36,017
Interest on deposits	20,20,67,241	12,84,91,127
Deposit matured with Financial Institutions	15,51,10,269	6,06,83,825
Interest on PD Account	3,55,60,000	0
EMD received from bidders	0	64,00,000
Loan from HUDCO	0	36,26,00,000
Subordinated Loan (KfW) from Government	5,41,54,435	0
Proceeds of 8.25% Taxable Bonds Issue	80,00,00,000	0
Total (B)	186,23,13,553	130,70,71,075
Total (A) +(B)	340,24,23,759	269,26,56,292
Payments:		
Redemption of Bonds	25,79,86,663	19,25,86,667
Interest on Bonds	15,22,28,204	16,61,44,427
Repayment of HUDCO Loan	16,68,00,000	12,51,00,000
Interest on HUDCO Loan	28,62,49,340	28,52,36,017
Interest on PD Account	3,55,60,000	0
Interest on Subordinated Loan (KfW)	74,15,237	46,87,500
EMD refunded to bidders	0	64,00,000
Loans Disbursed to ULBs	121,35,50,935	36,26,00,000
Other Expenses	1,22,98,436	97,91,475
Total (C)	213,20,88,815	115,25,46,086

WATER AND SANITATION POOLED FUND
(Trust of Government of Tamil Nadu)
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2018

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
	(₹)	
Closing balances: Cash & Cash Equivalents		
-Cash on hand	0	0
-Balance in Savings Bank Accounts with Banks	13,66,01,408	56,97,083
-Balance in Public Deposit Accounts with Banks	7,26,03,500	43,20,00,000
-Balance in Term Deposit Accounts with Banks	106,11,30,036	110,24,13,123
Total (D) (A+B-C)	127,03,34,944	154,01,10,206

As per our report of even date attached

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

For Water and Sanitation Pooled Fund

Sd/-
N. Raja
Partner
Membership No.022890

Sd/-
Kakarla Usha, IAS
Member Secretary

Sd/-
Harmander Singh, IAS
Chairman

Place: Chennai
Date: 25.06.2018

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

Notes forming part of the financial statements for the Year ended 31.03.2018

Particulars	As at 31.03.2018	As at 31.03.2017
	(₹)	
Note 1: Government Grant Account		
Government of Tamil Nadu Grant Account	55,51,71,187	65,17,71,127
Cash Collateral for bond issues	49,56,87,747	31,80,97,576
Bond Service Fund	0	22,51,10,436
Credit Rating Enhancement Fund	42,48,39,624	38,96,93,377
Total	147,56,98,558	158,46,72,516
Note 2: Loans Borrowed		
9.20% 15 year Taxable Non-Convertible Redeemable Bonds	0	1,28,06,663
7.25% 10 year Tax Free Pooled Finance Development Bonds	1,34,00,000	2,68,00,000
7.50% 10 year Tax Free Pooled Finance Development Bonds	43,37,40,000	66,55,20,000
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
8.25% 12 year Taxable Pooled Bonds	80,00,00,000	0
Subordinated Loan (KfW)	111,11,54,435	105,70,00,000
Loan from HUDCO	270,81,00,000	287,49,00,000
NRCP / NLCP Loan	12,52,17,522	22,99,31,802
Total	621,16,11,957	588,69,58,465
Note 3: Current Liabilities		
Interest payable on bonds	15,06,75,382	10,39,85,133
Interest payable on HUDCO loan	2,32,71,111	2,50,27,383
Interest payable on Subordinated Loan	26,58,010	3,55,60,000
Interest payable on NRCP / NLCP Loan	24,05,847	44,69,599
Other Liabilities	35,400	23,000
Received in advance from ULBs	3,69,74,799	1,68,72,241
Total	21,60,20,549	18,59,37,356
Note 4: Loans Disbursed		
Loans Disbursed to ULBs	566,13,00,912	481,64,50,916
Other Loans	12,52,17,522	22,99,31,802
Total	578,65,18,434	504,63,82,718

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

Notes forming part of the financial statements for the Year ended 31.03.2018

Particulars	As at 31.03.2018	As at 31.03.2017
	(₹)	
Note 5: Current Assets		
a) Cash & Cash Equivalents:		
Balances with Scheduled Banks		
- in Savings Bank Accounts	13,66,01,408	56,97,083
- in Public Deposit Accounts	7,26,03,500	43,20,00,000
- in Term Deposit Accounts	106,11,30,036	110,24,13,123
b) Current Investments		
- Term Deposits with Financial Institutions	70,13,28,179	85,64,38,448
c) Other Current Assets		
- Interest Accrued on Deposits	7,45,70,706	12,35,37,083
- Interest Accrued on Loans Disbursed to ULBs	4,09,29,401	2,47,28,467
- Interest Accrued on Public Deposit	26,58,010	3,55,60,000
- Interest Accrued on Other Loans	24,05,847	44,69,599
- Amount receivable from Government	2,32,71,111	2,50,27,383
- Tax Deducted at source	13,24,432	13,24,433
Total	211,68,22,630	261,11,95,619
Note 6: Interest earned on Loans Disbursed		
Interest earned on Loans to ULBs	47,93,22,444	43,02,18,002
Interest earned on Other Loans	2,75,67,260	5,06,07,459
Total	50,68,89,704	48,08,25,461
Note 7: Other Income		
Project Development Grant	0	83,038
Other Income	1,23,10,836	97,08,437
Total	1,23,10,836	97,91,475
Note 8: Interest on Loans Borrowed		
Interest on bonds issued	19,89,18,453	15,74,38,720
Interest on Subordinated Loan (KfW)	74,15,237	46,87,500
Interest on other Loans Borrowed	30,05,56,014	31,86,99,241
Total	50,68,89,704	48,08,25,461
Note 9: Other Expenses		
Project Development Expenses	18,10,570	28,53,780
Management Fee	29,61,934	34,97,572
Government Guarantee Fee	60,51,370	25,50,000
Other operating expenses	14,86,962	8,90,123
Total	1,23,10,836	97,91,475

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

Notes forming part of the financial statements for the Year ended 31.03.2018

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 31.03.2018

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 ₹ 1,15,04,314/- and other expenses of (₹ 1,23,10,836/-) for the financial year 2018-19 has been adjusted against GoTN Grant A/c.

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

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

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

Notes forming part of the financial statements for the Year ended 31.03.2018

d. WSPF Bonds

A sum of ₹ 302.30 crores. has been mobilized by issue of Taxable and Tax-free Non-Convertible Redeemable Pooled Bonds, of which a sum of ₹ 75.59 crores (of which ₹ 25.80 crores during the financial year 2016-17) has been redeemed. The principal bond balance as on 31.03.2018 is ₹ 226.71 crores.

e. Employee Retirement Benefits

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

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

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

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

As per our report of even date attached

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

For Water and Sanitation Pooled Fund

Sd/-
N. Raja
Partner
Membership No.022890

Sd/-
Kakarla Usha, IAS
Member Secretary

Sd/-
Harmander Singh, IAS
Chairman

Place: Chennai

Date: 25.06.2018

PROJECT SUSTAINABILITY GRANT FUND

Report on the activities and Annual Accounts of Project Sustainability Grant Fund for the FY 2017-2018

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) shall be adhered to.

8. Performance

A sum of ₹ 203.57 crores has been received from Government during the financial year 2017-18 and a sum of ₹ 274.20 crores has been disbursed to various ULBs during the financial year 2017-18. The details are furnished below:-

(₹ in crores)

Details	Financial Year 2017-18	Financial Year 2016-17
Balance of Fund as on 1 st April	396.71	297.98
Add: Grant received from GoTN	203.57	303.60
Add: Excess of Income over Expenditure	6.00	6.86
TOTAL	606.28	608.44
Less: Disbursements	274.20	211.73
Balance of Fund as on 31st March	332.08	396.71

9. Accounts and Audit

The Annual Accounts for the financial year 2017-18 have been audited by M/s.P.M.M Associates, Chartered Accountants, Chennai.

P.M.M. ASSOCIATES
Chartered Accountants

**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, 2018, 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.

P.M.M. ASSOCIATES
Chartered Accountants

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, 2018 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 **P.M.M. ASSOCIATES**
Chartered Accountants
Firm No.002494s
Sd/-

N. RAMARAJ
Partner

Place: Chennai
Date: 25.06.2018

Membership No. 022683

Old No.47, New No.12, Muthiah 2nd Street, Royapettah, Chennai - 14

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

Balance Sheet As At 31.03.2018

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
		(₹)	
Sources of Funds			
Grant from Government	1	332,07,79,829	396,71,29,782
Current Liabilities	2	59,400	51,750
Total		332,08,39,229	396,71,81,532
Application of Funds			
Current Assets	3		
a. Cash and Cash Equivalents		264,33,85,952	311,50,88,184
b. Term Deposit with Companies		58,70,24,000	78,05,98,781
c. Other Current Assets		9,04,29,277	7,14,94,567
Total		332,08,39,229	396,71,81,532
Notes including Significant Accounting Policies - Note 4 to 6			

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached
For **P.M.M. Associates,**
Chartered Accountants
Firm Reg. No: 002494S

Sd/-

N. Ramaraj
Partner
Membership No: 022683

Sd/-

Kakarla Usha, IAS
Managing Director

Sd/-

Harmander Singh, IAS
Chairman

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

Place: Chennai
Date: 25.06.2018

PROJECT SUSTAINABILITY GRANT FUND
(Grant Fund of Government of Tamil Nadu)
Income & Expenditure Account for the year ended 31.03.2018

Particulars	For the period ended 31.03.2018	For the period ended 31.03.2017
	(₹)	
Income		
Interest earned		
On Savings Bank Account	14,44,111	18,13,267
On Deposit Accounts	8,12,19,775	8,81,61,936
Total	8,26,63,886	8,99,75,203
Expenditure		
Management Fee & Other Charges	2,26,35,560	2,12,39,862
Audit Fee – Statutory Audit	64,900	57,500
Total	2,27,00,460	2,12,97,362
Excess of Income over Expenditure transferred to Grant from Government	5,99,63,426	6,86,77,841
Notes including Significant Accounting Policies - Note 4 to 6		

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached
For **P.M.M. Associates**,
Chartered Accountants
Firm Reg. No: 002494S

Sd/-
N. Ramaraj
Partner
Membership No: 022683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

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

Place: Chennai
Date: 25.06.2018

PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Receipts & Payments Account for the year ended 31.03.2018

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
	(₹)	
Receipts		
Grant from Government	203,57,06,621	303,59,61,000
Interest Receipts	7,79,09,141	9,56,37,100
Term Deposit with Companies	19,35,74,781	0
Total	230,71,90,543	313,15,98,100
Payments		
Disbursements to Urban Local Bodies	274,20,20,000	211,73,51,000
Term Deposit with Companies	0	31,49,79,364
Other Payments to TNUDF	1,03,80,489	85,34,228
Other Payments to WSPF	37,99,476	98,49,832
Management Fee & Other Charges	2,26,35,560	2,12,39,862
Audit Fees	51,750	51,775
TDS on Audit Fees Payable	5,500	5,750
Total	277,88,92,775	247,20,11,811
Surplus / (Deficit) for the period	(47,17,02,232)	65,95,86,289
Add: Opening Cash and Bank Balances	311,50,88,184	245,55,01,895
Closing Cash & Bank Balances	264,33,85,952	311,50,88,184

Vide our report of even date attached

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

Sd/-
N. Ramaraj
Partner
Membership No: 022683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

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

Place: Chennai
Date: 25.06.2018

PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2018

Particulars	As at 31.03.2018	As at 31.03.2017
	(₹)	
Note-1		
Grant from Government		
Balance at the beginning of the year	396,71,29,782	297,98,41,941
Add: Grant assistance received during the year	203,57,06,621	303,59,61,000
Excess of Income over Expenditure carried from Income and Expenditure Account	5,99,63,426	6,86,77,841
	606,27,99,829	608,44,80,782
Less: Disbursement to ULBs during the year	274,20,20,000	211,73,51,000
Total	332,07,79,829	396,71,29,782
Note-2		
Current Liabilities		
Audit Fee payable	59,400	51,750
Total	59,400	51,750
Note-3		
Current Assets		
a. Cash and Cash Equivalents		
i. In Savings Bank Account with Banks	61,39,002	8,88,184
ii. In Deposit Account with Banks	16,00,00,000	30,10,00,000
iii. In Public Deposit Account with Banks	247,72,46,950	281,32,00,000
	264,33,85,952	311,50,88,184
b. Term Deposit with Companies	58,70,24,000	78,05,98,781
	58,70,24,000	78,05,98,781
c. Other Current Assets		
i. Accrued interest on Deposits	3,45,78,684	2,98,23,939
ii. Receivable from TNUDF	3,61,69,682	2,57,89,193
iii. Receivable from WSPF	1,96,80,911	1,58,81,435
	9,04,29,277	7,14,94,567
Total	332,08,39,229	396,71,81,532

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

Notes forming part of the Financial Statements for the year ended 31.03.2018

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 31.03.2018

Note-5: Nature of Operation

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

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

Vide our report of even date attached

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

Sd/-
N. Ramaraj
Partner
Membership No: 022683

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: 25.06.2018

PROJECT DEVELOPMENT GRANT FUND

Report on the activities and Annual Accounts of Project Development Grant Fund for the FY 2017-2018

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 ₹ 21.74 crores has been received from Government during the financial year 2017-18 and a sum of ₹ 13.21 crores has been disbursed to various consultancy assignments during the financial year 2017-18. The details are furnished below:

(₹ in crores)		
Details	Financial Year 2017-18	Financial Year 2016-17
Balance of Fund as on 1 st April	85.43	76.13
Add: Grant received from GoTN	21.74	15.08
Add: Excess of Income over Expenditure	6.62	6.15
TOTAL	113.79	97.36
Less: Disbursements	13.21	11.93
Balance of Fund as on 31st March	100.58	85.43

9. Accounts and Audit

The Annual Accounts for the financial year 2017-18 have been audited by M/s.P.M.M.Associates, Chartered Accountants, Chennai.

P.M.M. ASSOCIATES
Chartered Accountants

**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 DEVELOPMENT GRANT FUND of Government of Tamil Nadu as on 31st March 2018, 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, 2018 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 P.M.M. ASSOCIATES
Chartered Accountants
Firm No.002494s
Sd/-

N. RAMARAJ
Partner

Place: Chennai
Date: 25.06.2018

Membership No. 022683

Old No.47, New No.12, Muthiah 2nd Street, Royapettah, Chennai - 14

PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Balance Sheet as at 31.03.2018

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
		(₹)	
Sources of Funds			
Grant from Government	1	100,58,71,528	85,42,74,580
Current Liabilities	2	12,39,400	3,76,750
Total		100,71,10,928	85,46,51,330
Application of Funds			
Current Assets	3		
a. Cash and Cash Equivalents		36,82,33,475	28,26,98,545
b. Current Investments		58,48,49,915	54,17,49,709
c. Other Current Assets		5,40,27,538	3,02,03,076
Total		100,71,10,928	85,46,51,330
Notes including Significant Accounting Policies - Note 4 to 6			

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For **P.M.M.Associates,**

Chartered Accountants

Firm Registration No.002494S

Sd/-
N. Ramaraj
Partner
Membership No.022683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

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

Place: Chennai
Date : 25.06.2018

PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Income & Expenditure Account for the year ended 31.03.2018

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
	(₹)	
Income		
Interest earned		
On Savings Bank Account	2,80,431	2,73,635
On Deposit Accounts	6,75,87,993	6,26,10,073
Total	6,78,68,424	6,28,83,708
Expenditure		
Management Fee	15,55,684	13,71,676
Audit Fee – Statutory Audit	64,900	57,750
Total	16,20,584	14,29,426
Excess of Income over Expenditure transferred to Grant from Government	6,62,47,840	6,14,54,282
Notes Including Significant Accounting Policies - Note 4 to 6		

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached
For **P.M.M.Associates,**
Chartered Accountants
Firm Registration No.002494S

Sd/-
N. Ramaraj
Partner
Membership No.022683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

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

Place: Chennai
Date : 25.06.2018

PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Receipts & Payments for the year ended 31.03.2018

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
	(₹)	
Receipts		
Grant from Government	21,74,45,803	15,07,41,687
Interest Receipts	4,40,43,962	4,84,55,049
Earnest Money Deposit	8,55,000	1,40,000
Total	26,23,44,765	19,93,36,736
Payments		
Disbursements	13,20,96,695	11,92,76,195
Management Fee & Other Charges	15,55,684	13,71,676
Audit Fees	51,750	51,775
TDS on Audit Fees	5,500	5,750
Term Deposit with Companies	4,31,00,206	9,91,88,761
Total	17,68,09,835	21,98,94,157
Surplus / (Deficit) for the year	8,55,34,930	(2,05,57,421)
Add: Opening Cash and Bank Balances	28,26,98,545	30,32,55,966
Closing Cash & Bank Balances	36,82,33,475	28,26,98,545

Vide our report of even date attached
For **P.M.M.Associates,**
Chartered Accountants
Firm Registration No.002494S

Sd/-
N. Ramaraj
Partner.
Membership No.022683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

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

Place: Chennai
Date: 25.06.2018

PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2018

Particulars	As at 31.03.2018	As at 31.03.2017
	(₹)	
Note-1		
Grant from Government		
Balance at the beginning of the year	85,42,74,580	76,13,54,806
Add: Grant assistance received during the year	21,74,45,803	15,07,41,687
Excess of Income over Expenditure carried from Income & Expenditure Account	6,62,47,840	6,14,54,282
	113,79,68,223	97,35,50,775
Less: Disbursements made during the year	13,20,96,695	11,92,76,195
Total	100,58,71,528	85,42,74,580
Note-2		
Current Liabilities		
Audit Fee payable	59,400	51,750
Other Liabilities	11,80,000	3,25,000
Total	12,39,400	3,76,750
Note-3		
Current Assets		
a. Cash and Cash Equivalents		
i. In Savings Account	27,63,050	14,98,545
ii. In Deposit account	21,50,00,000	25,05,00,000
iii. In Public Deposit Account with Banks	15,04,70,425	3,07,00,000
	36,82,33,475	28,26,98,545
b. Current Investments		
i. Term Deposit with Companies	58,48,49,915	54,17,49,709
	58,48,49,915	54,17,49,709
c. Other Current Assets		
i. Accrued interest on Deposits	5,40,27,538	3,02,03,076
	5,40,27,538	3,02,03,076
Total	100,71,10,928	85,46,51,330

PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2018

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 31.03.2018

Note-5:Nature of Operation

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

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

Vide our report of even date attached
For **P.M.M.Associates,**
Chartered Accountants
Firm Registration No.002494S

Sd/-
N. Ramaraj
Partner
Membership No.022683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

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

Place: Chennai
Date : 25.06.2018

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 2017-2018, a sum of Rs.332.18 crores (previous year Rs.411.68crores) has been released by Government to TURIF. A sum of Rs.238.90 crores (previous year Rs.526.22 crores) has been disbursed to ULBs.

9. Accounts and Audit

The Annual Accounts for the financial year 2017-2018 have been audited by M/s. P.M.M. Associates, Chartered Accountants, Chennai – 600 061.

P.M.M. ASSOCIATES
Chartered Accountants

**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 2018, 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, 2018 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 **P.M.M. ASSOCIATES**
Chartered Accountants
Firm No.002494s
Sd/-

N. RAMARAJ
Partner

Membership No. 022683

Place: Chennai
Date: 25.06.2018

Old No.47, New No.12, Muthiah 2nd Street, Royapettah, Chennai - 14

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

Balance Sheet As At 31.03.2018

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
		(₹)	
Sources of Funds			
Grant from Government	1	232,66,08,441	126,60,40,264
Current Liabilities	2	23,600	17,250
Total		232,66,32,041	126,60,57,514
Application of Funds			
Current Assets			
a. Cash and Cash Equivalents	3	140,52,28,879	71,26,29,970
b. Term Deposit with Companies		81,18,62,198	48,22,76,759
c. Other Current Assets		10,95,40,964	7,11,50,785
Total		232,66,32,041	126,60,57,514
Notes including Significant Accounting Policies – Note 4			

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached
For **P.M.M ASSOCIATES**
Chartered Accountants
Firm Registration No.002494S

Sd/-
N. Ramaraj
Partner
Membership No. 22683

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: 25.06.2018

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND
(Grant Fund of Government of Tamil Nadu)
Income & Expenditure Account for the year ended 31.03.2018

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
	(₹)	
Income		
Interest earned		
On Savings Bank Account	26,09,316	21,57,872
On Deposit Accounts	12,55,31,827	11,99,84,670
Total	12,81,41,143	12,21,42,542
Expenditure		
Management Fee	2,78,754	6,05,151
Audit Fee – Statutory Audit	23,600	17,250
Total	302,354	6,22,401
Excess of Income over Expenditure transferred to Grant from Government	12,78,38,789	12,15,20,141
Notes including Significant Accounting Policies – Note 4		

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached
For **P.M.M ASSOCIATES**
Chartered Accountants
Firm Registration No.002494S

Sd/-
N. Ramaraj
Partner
Membership No. 22683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

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

Place: Chennai
Date: 25.06.2018

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND
(Grant Fund of Government of Tamil Nadu)
Receipts & Payments Account for the year ended 31.03.2018

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
	(₹)	
Receipts		
Grant from Government	332,17,72,388	411,68,14,628
Interest Receipts	8,97,50,964	13,60,40,504
Term Deposit with Companies	0	34,98,06,054
Total	341,15,23,352	460,26,61,186
Payments		
Disbursements to Urban Local Bodies	238,90,43,000	526,21,71,000
Management Fee	2,78,754	6,05,151
Audit Fees	17,250	17,250
Term Deposit with Companies	32,95,85,439	0
Total	271,89,24,443	526,27,93,401
Surplus / (Deficit) for the year	69,25,98,909	(66,01,32,215)
Add: Opening Cash and Bank Balances	71,26,29,970	137,27,62,185
Closing Cash & Bank Balances	140,52,28,879	71,26,29,970

Vide our report of even date attached

For **P.M.M ASSOCIATES**
Chartered Accountants
Firm Registration No.002494S

Sd/-
N. Ramaraj
Partner
Membership No. 22683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

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

Place: Chennai
Date: 25.06.2018

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND

(Grant Fund of Government of Tamil Nadu)

Note forming part of the Financial Statements for the year ended 31.03.2018

Particulars	As at 31.03.2018	As at 31.03.2017
	(₹)	
Note – 1: Grant From Government		
Balance at the beginning of the year	126,60,40,264	228,98,76,495
Add: Grant assistance received during the year	332,17,72,388	411,68,14,628
Excess of Income over Expenditure carried from Income and Expenditure Account	12,78,38,789	12,15,20,141
	471,56,51,441	652,82,11,264
Less: Disbursements to ULBs during the year	238,90,43,000	526,21,71,000
Total	232,66,08,441	126,60,40,264
Note -2: Current Liabilities		
Audit Fee payable	23,600	17,250
Total	23,600	17,250
Note-3: Current Assets		
a. Cash and Cash Equivalents		
i. In Savings Bank Account with Banks	109,124	6,29,970
ii. In Deposit Account with Banks	140,51,19,755	71,20,00,000
	140,52,28,879	71,26,29,970
b. Deposit with Companies	81,18,62,198	48,22,76,759
	81,18,62,198	48,22,76,759
c. Other Current Assets		
Accrued interest on Deposits	10,95,40,964	7,11,50,875
	10,95,40,964	7,11,50,785
Total	232,66,32,041	126,60,57,514

TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Accounts for the year ended 31.03.2018

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 31.03.2018

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 **P.M.M ASSOCIATES**
Chartered Accountants
Firm Registration No.002494S

Sd/-
N. Ramaraj
Partner
Membership No. 22683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

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

Place: Chennai
Date: 25.06.2018

CHENNAI MEGA CITY DEVELOPMENT FUND

Report on the activities of Chennai Mega City Development Fund for the Financial Year 2017-18

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 ₹ 128.28 crores (previous year ₹ 186.99 crores) has been disbursed to GCC, CMWSSB and Other expenses during the financial year 2017-18. In total, a sum of ₹ 2100.00 crores has been released by Government, of which a sum of ₹ 1981.33 crores has been disbursed to GCC, CMWSSB and Other expenses up to 31.03.2018. The details are furnished below:

(₹ in crores)

S.No.	Particulars	Up to 2016-17	During 2017-18	Up to 2017-18
1.	Greater Chennai Corporation	1175.73	40.25	1215.98
2.	Chennai Metropolitan Water Supply and Sewerage Board	675.03	87.96	762.99
3.	Consultancy payments and other expenses	2.79	0.07	2.86
	Total	1853.55	128.28	1981.83

9. Accounts and Audit

The Annual Accounts for the financial year 2017-2018 have been audited by M/s. P.M.M. Associates, Chartered Accountants, Chennai – 600 061.

P.M.M. ASSOCIATES
Chartered Accountants

**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 2018, 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

P.M.M. ASSOCIATES
Chartered Accountants

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, 2018 and
- b. in the case of the Income and Expenditure Account, the deficit of the Fund for the year ended on that date.

For **P.M.M. ASSOCIATES**
Chartered Accountants
Firm No.002494s
Sd/-
N. RAMARAJ
Partner
Membership No. 022683

Place: Chennai
Date: 25.06.2018

Old No.47, New No.12, Muthiah 2nd Street, Royapettah, Chennai - 14

CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

Balance Sheet As At 31.03.2018

Particulars	Note no.	As at 31.03.2018	As at 31.03.2017
		(₹)	
Sources of Funds			
Grant from Government	1	118,17,59,804	246,46,00,145
Current Liabilities	2	23,600	13,800
Total		118,17,83,404	246,46,13,945
Application of Funds			
Current Assets	3		
Cash and Cash Equivalents		118,17,83,404	246,46,13,945
Total		118,17,83,404	246,46,13,945
Notes Including Significant Accounting Policies 4 to 6			

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached

For **P.M.M.Associates,**

Chartered Accountants

Firm Reg. No:002494S

Sd/-

N.Ramaraj

Partner

Membership No:022683

Sd/-

Kakarla Usha, IAS

Managing Director

Sd/-

Harmander Singh, IAS

Chairman

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

Place: Chennai

Date: 25.06.2018

CHENNAI MEGA CITY DEVELOPMENT FUND
(Grant Fund of Government of Tamil Nadu)

Balance Sheet As At 31.03.2018

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
	(₹)	
Income		
Interest earned		
On Savings Bank Account	5,200	67,804
Total	5,200	67,804
Expenditure		
Management Fee	7,49,441	10,73,478
Audit Fee – Statutory Audit	23,600	13,800
Total	7,73,041	10,87,278
Excess of Expenditure over Income transferred to Grant from Government	(7,67,841)	(10,19,474)
Notes Including Significant Accounting Policies - Note 4 to 6		

Notes referred above form an integral part of the Financial Statements

Vide our report of even date attached
For **P.M.M.Associates,**
Chartered Accountants
Firm Reg. No:002494S

Sd/-
N.Ramaraj
Partner
Membership No:022683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

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

Place: Chennai
Date: 25.06.2018

CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

Receipts & Payments for the year ended 31.03.2018

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
	(₹)	(₹)
Receipts		
Grant from Government	0	400,00,00,000
Interest Receipts	5,200	67,804
Total	5,200	400,00,67,804
Payments		
Disbursement to ULBs	128,20,72,500	186,82,21,600
Management Fee	7,49,441	17,17,025
Statutory Audit Fees	13,800	13,800
Total	128,28,35,741	186,99,52,425
Surplus / Deficit for the year	(128,28,30,541)	213,01,15,379
Add: Opening Cash and Bank Balances	246,46,13,945	33,44,98,566
Closing Cash & Bank Balances	118,17,83,404	246,46,13,945

Vide our report of even date attached
For **P.M.M.Associates,**
Chartered Accountants
Firm Reg. No:002494S

Sd/-
N. Ramaraj
Partner
Membership No: 022683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

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

Place: Chennai
Date: 25.06.2018

CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2018

Particulars	As at 31.03.2018	As at 31.03.2017
	(₹)	(₹)
Note -1		
Grant from Government		
Balance at the beginning of the year	246,46,00,145	33,38,41,219
Add: Grant assistance received during the year	0	400,00,00,000
	246,46,00,145	433,38,41,219
Less: Disbursement during the year		
Excess of Expenditure over Income	128,20,72,500	186,82,21,600
Transferred from Income & Expenditure Account	7,67,841	10,19,474
Total	118,17,59,804	246,46,00,145
Note -2		
Current Liabilities		
Audit Fee payable	23,600	13,800
Total	23,600	13,800
Note -3		
Current Assets		
a. Cash and Cash Equivalents		
i. In Savings Bank Account	1,59,904	2,17,945
ii. In Public Deposit account	118,16,23,500	246,43,96,000
Total	118,17,83,404	246,46,13,945

CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

Notes forming part of the Financial Statements for the year ended 31.03.2018

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 31.03.2018

Note-5: Nature of Operation

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

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

Vide our report of even date attached
For **P.M.M.Associates,**
Chartered Accountants
Firm Reg. No:002494S

Sd/-
N. Ramaraj
Partner
Membership No: 022683

Sd/-
Kakarla Usha, IAS
Managing Director

Sd/-
Harmander Singh, IAS
Chairman

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

Place: Chennai
Date: 25.06.2018

