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

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

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

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

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

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

**Dr. K. Baskaran, 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  
No.5A, Old No.25, First Floor,  
Rukmani Street, West Mambalam,  
Chennai – 600 033.

**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.,**  
Additional Secretary to Government,  
MA&WS Department  
Secretariat, Fort St. George  
Chennai 600 009  
**Chairman**

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

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

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

**Dr. K. Baskaran, IAS.,**  
Managing Director  
TNUIFSL,  
Chennai 600 028

**Mr.Thallam Sreekumar,**  
Joint General Manager  
ICICI Bank Limited,  
No.1, Cenotaph Road,  
Teynampet,  
Chennai 600 018

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

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Chennai – 600 002

**Mr.L.Krishnan**  
IL & FS Urban Infrastructure Managers Limited  
No.5A, Old No.25, First Floor,  
Rukmani Street, West Mambalam,  
Chennai – 600 033..

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

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

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



# **TAMIL NADU URBAN DEVELOPMENT FUND**

## **Report on the activities of Tamil Nadu Urban Development Fund for the Financial Year 2019 – 2020**

### **1. Background**

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

### **2. Vision, Mission and Objectives**

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

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

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

### **3. Management**

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

#### 4. Resources

A sum of ₹ 4172.51 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	61.64	61.64
3	Loan under World Bank assisted TNUDP III	528.82	528.82
4	Loan under World Bank assisted TNSUDP	1225.92	950.00
5	Loan under JICA assisted TNUIP	260.27	260.27
6	Loan under KfW assisted SMIF – TN-I	344.69	344.69
7	Loan under KfW assisted SMIF – TN-II-1	342.42	327.83
8	Loan under KfW assisted SMIF – TN-II-2	417.36	300.00
9	Loan under ADB assisted TNUFIP-1	304.78	150.00
10	Loan under ADB assisted TNUFIP-2	487.01	0
	<b>Total</b>	<b>4172.51</b>	<b>3122.85</b>

The balance amount of ₹ 1049.66 crores will be availed based on the progress of the projects assisted by TNUDF.

#### 5. Assistance under External Aided Projects

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

The TNSUDP with the assistance of World Bank was launched on 03.06.2015. The Project Development Objective is to improve urban services in participating Urban Local Bodies in a financially sustainable manner and to pilot improved urban management practices in selected cities. A sum of ₹ 1003.77 crores has been disbursed as term loan to the ULBs based on the progress of the projects under TNSUDP as on 31.03.2020.

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

### **Programs assisted by KfW, the German funding agency**

The SMIF – TN Program with the assistance of KfW was launched in 2008. The objective is to improve the living conditions of residents in urban areas by constructing and improving water supply, sewerage and other urban facilities. The Program has two Phases and the Phase –II Program has two parts. A sum of ₹ 939.59 crores (₹ 371.52 crores under SMIF – TN Program, ₹ 286.15 crores under SMIF – TN-II-1 Program and ₹ 281.92 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 31.03.2020.

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

### **assisted by Asian Development Bank (ADB)**

The TNUFIP has three Tranches (Tranche-I, (Tranche-II and (Tranche-III). The objective of the Program is to develop priority water supply, sewerage and drainage infrastructure located within strategic industrial corridors of Tamil Nadu, support innovative pilots, improve urban governance and strengthen the capacity of State and local institutions to enhance environmental sustainability, climate resilience and urban livability. The TNUFIP – Tranche-1 was launched on 16.11.2018 and the Tranche-2 was launched on 02.09.2019. A sum of ₹ 65.00 crores has been disbursed as term loan to the ULBs based on the progress of the projects under Tranche-1 up to 31.03.2020. The loan disbursement under Tranche-II will be made from the FY 2020-21 and the Tranche-III is being taken up for appraisal by ADB.

## 6. PERFORMANCE

### 6.1 Project Loan Approvals

During the financial year 2019-20, term loan of ₹ 487.01 crores has been sanctioned to six urban infrastructure projects. The sector wise financial assistance is as detailed below:

(₹ in Crores)

S I. No.	Sector	No. of Projects	Project Cost	Term Loan Sanctioned
1	Under Ground Sewerage Scheme	4	1421.28	170.83
2	Water Supply Scheme	2	2416.33	316.18
	<b>Total</b>	<b>6</b>	<b>3837.61</b>	<b>487.01</b>

### 6.2 Project Loan Disbursements

During the financial year 2019-20, a sum of ₹ 213.76 crores has been disbursed as term loan as detailed below:

(₹ in Crores)

Sector	Loan amount disbursed	
	2019 – 2020	2018 – 2019
Sewerage & Sanitation	86.95	6.40
Water Supply	119.69	141.39
Roads, Storm Water Drains, Street Lights & Parks	7.12	226.44
Bus Stands and Office Building	0	2.50
<b>Total</b>	<b>213.76</b>	<b>376.73</b>

### 6.3 Collection of Debit Service

The entire debt service (principal and interest) dues of ₹ 323.65 crores from the ULBs for the financial year 2019-20 have been collected. TNUDF has achieved record 100% collection efficiency continuously for the past sixteen financial years.

## 7. Accounts and Audit

The Accounts for the financial year 2019-2020 have been completed and audited by M/s. Joseph & Rajaram, Chartered Accountants, Chennai.

# Tamil Nadu Urban Development Fund

## HIGHLIGHTS OF PERFORMANCE

(₹ in Crores)

	31.3.20	31.3.19	31.3.18	31.3.17	31.3.16	31.3.15	31.3.14	31.3.13	31.3.12	31.3.11	31.3.10	31.3.09	31.3.08	31.3.07	31.3.06
Total Assets	3348.72	3023.23	2610.85	2277.82	2046.03	1800.19	1604.05	1376.92	1272.84	1038.71	1001.40	687.59	673.13	531.40	492.85
Net worth	279.44	266.41	254.99	245.08	229.74	224.08	226.87	222.94	215.67	208.43	205.34	202.26	202.26	202.26	202.26
Total Income	244.79	221.62	196.08	167.78	149.17	137.90	108.13	99.42	84.11	67.25	59.33	51.16	47.28	35.99	28.68
Total Expenditure	221.72	203.09	180.13	157.42	140.37	127.68	101.22	88.67	73.63	62.89	54.83	33.20	28.94	20.66	20.19
Surplus before provision for contingency	-	-	-	-	-	-	-	-	-	-	-	17.96	18.34	15.33	8.49
Provision for Contingency	-	-	-	-	-	-	-	-	-	-	-	6.17	14.40	10.05	5.07
Surplus available for distribution	-	-	-	-	-	-	-	-	-	-	-	11.79	3.94	5.28	3.42
Surplus before tax	23.07	18.53	15.95	10.36	8.80	10.22	6.91	10.75	10.48	4.36	4.50	-	-	-	-
Provision for Tax- current yr	10.04	7.11	6.05	4.11	3.15	3.85	2.98	3.49	3.24	1.27	1.43	-	-	-	-
Net Surplus for the year	13.03	11.42	9.90	6.25	5.65	6.37	3.93	7.26	7.24	3.09	3.07	-	-	-	-
Provision for Tax prior yr	-	-	-	(9.09)	-	9.15	-	-	-	-	-	-	-	-	-
Net income / surplus after tax transferred to Capital Fund	13.03	11.42	9.90	15.34	5.65	(2.78)	3.93	7.26	7.24	3.09	3.07	-	-	-	-
Average Return on Loan lending %	8.92	8.83	8.78	8.66	8.67	8.62	8.39	8.39	8.54	8.41	8.30	8.01	8.43	8.49	8.12
Yield on Investments %	7.68	8.55	8.66	8.79	9.04	10.78	10.19	10.24	9.74	7.73	9.35	9.78	10.01	8.81	6.49
Cost of funds %	8.32	8.31	8.29	8.39	8.41	8.39	8.09	7.99	7.77	7.64	7.74	7.64	7.62	7.52	7.52
Loan Sanctions (Net)	487.01	441.08	105.17	236.96	1038.76	89.07	773.34	342.21	124.02	123.22	167.68	178.08	209.56	201.94	381.25
Loan Disbursements	213.76	376.73	441.75	359.18	145.84	311.79	566.19	257.68	85.36	185.35	151.46	88.63	70.74	69.42	26.71
Recoveries	323.65	263.80	236.36	198.03	166.70	144.39	97.45	82.77	78.45	69.73	52.85	37.34	30.62	22.14	20.82
Principal + Interest															
Collection Efficiency %	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

# JOSEPH & RAJARAM

CHARTERED ACCOUNTANTS

TEL. : 044-28225103/4405

E-mail : ho@jnr.in&rin@jnr.in

## INDEPENDENT AUDITORS' REPORT

UDIN:20016246AAAADS4094

To,  
The Trustees,  
Tamil Nadu Urban Urban Development Fund

### Opinion

We have audited the financial statements of **Tamil Nadu Urban Development Fund** (the entity), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, and the Income and Expenditure Account and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31<sup>st</sup> March 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

### Basis for Opinion

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

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

The Board of Trustees (Management) is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees are responsible for overseeing the entity's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For **Joseph & Rajaram**

Chartered Accountants

FRN 001375S

Sd/-

**(Lakshminarayanan .R)**

Partner

Membership No. 016246

Place : Chennai  
Date : 21-09-2020



# TAMIL NADU URBAN DEVELOPMENT FUND

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

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2020

Particulars	Note No.	As at 31/03/2020	As at 31/03/2019
		(₹)	
<b>SOURCES OF FUNDS</b>			
<b>1 Capital Fund</b>			
a. Contribution by Settlor	<b>1</b>	5000	5,000
b. Reserves & Surplus	<b>2</b>	79,83,93,055	66,80,83,784
<b>2 Borrowed Funds</b>			
a. Units	<b>3</b>	199,59,69,211	199,59,69,211
b. Other Loans	<b>4</b>	2923,24,93,907	2630,83,70,106
<b>3 Current Liabilities</b>	<b>5</b>	146,02,94,816	125,98,71,636
<b>TOTAL</b>		<b>3348,71,55,989</b>	<b>3023,22,99,737</b>
<b>APPLICATION OF FUNDS</b>			
<b>4 Loans Disbursed</b>	<b>6</b>	26,36,06,96,819	2532,20,20,854
<b>5 Current Assets</b>	<b>7</b>	712,64,59,170	491,02,78,883
<b>TOTAL</b>		<b>3348,71,55,989</b>	<b>3023,22,99,737</b>
Notes including Significant Accounting Policies	<b>1 to 13</b>		

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

**For Joseph & Rajaram**  
Chartered Accountants  
Firm Registration No.001375S

For and on behalf of the Board of Directors

Sd/-  
**Lakshminarayanan .R**  
Partner  
Membership No.016246

Sd/-  
**K. Baskaran, IAS**  
Director

Sd/-  
**Harmander Singh, IAS**  
Chairman

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

Place: Chennai  
Date: 21.09.2020

# TAMIL NADU URBAN DEVELOPMENT FUND

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

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

Particulars		Note No.	For the Year ended 31st March 2020	For the Year ended 31st March 2019
			(₹)	
<b>A</b>	<b>INCOME</b>			
i	Interest on Loans Disbursed		231,84,14,949	211,97,73,874
ii	Interest on Deposits & Savings Bank Accounts		12,94,81,428	9,64,40,761
	<b>TOTAL - A - (i+ii)</b>		<b>244,78,96,377</b>	<b>221,62,14,635</b>
<b>B</b>	<b>EXPENDITURE</b>			
iii	Financial Cost	<b>8</b>	212,36,71,577	191,10,92,842
iv	Management Fee & other Operating Expenses	<b>9</b>	8,93,48,140	10,71,68,407
v	Provision in respect of Loans Disbursed		41,71,389	1,26,41,252
	<b>TOTAL - B - (iii+iv+v)</b>		<b>221,71,91,106</b>	<b>203,09,02,501</b>
C	Net income before Tax (A-B)		23,07,05,271	18,53,12,134
D	Less: Provision for Income Tax - Current Year		10,03,96,000	7,11,00,000
E	Net Surplus for the year (C-D)		13,03,09,271	11,42,12,134
F	Net Income / Surplus after tax transferred to Capital Fund		13,03,09,271	11,42,12,134
	Notes including Significant Accounting Policies	<b>1 to 13</b>		

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

**For Joseph & Rajaram**  
Chartered Accountants  
Firm Registration No.001375S

For and on behalf of the Board of Directors

Sd/-  
**Lakshminarayanan .R**  
Partner  
Membership No.016246

Sd/-  
**K. Baskaran, IAS**  
Director

Sd/-  
**Harmander Singh, IAS**  
Chairman

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

Place: Chennai  
Date: 21.09.2020

# TAMIL NADU URBAN DEVELOPMENT FUND

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

	Particulars	For the Year Ended 31/03/2020	For the Year Ended 31/03/2019
		(₹)	
<b>A.</b>	<b>Cash flow From Operating Activities</b>		
	Net Income before Tax	23,07,05,271	18,53,12,134
	Operating Surplus before Working Capital Changes	<b>23,07,05,271</b>	<b>18,53,12,134</b>
	Adjustments for (Increase)/ Decrease in Operating Assets/Liabilities:-		
	Current Assets	(85,95,33,739)	8,90,92,838
	Current Liabilities	10,00,27,180	12,59,58,817
	Cash Generated from Operations	<b>(52,88,01,288)</b>	<b>40,03,63,789</b>
	Direct Taxes Paid / Tax Deducted at Source	(24,40,34,305)	(13,75,17,631)
	<b>Net Cash from / (Used in) Operating Activities (A)</b>	<b>(77,28,35,593)</b>	<b>26,28,46,158</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Loans Disbursed (Net)	(103,86,75,965)	(314,76,71,798)
	Investment (Net)	0	0
	<b>Net Cash used in Investing Activities (B)</b>	<b>(103,86,75,965)</b>	<b>(314,76,71,798)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Unit	0	0
	Borrowings (Net)	292,41,23,801	381,25,22,695
	<b>Net Cash from Financing Activities (C)</b>	<b>292,41,23,801</b>	<b>381,25,22,695</b>
	<b>Net ( Decrease ) / Increase in Cash &amp; Cash Equivalents ( A + B + C )</b>	<b>111,26,12,243</b>	<b>92,76,97,055</b>
	<b>Cash and Cash equivalents at the beginning of the Accounting Period</b>	249,96,70,435	157,19,73,380
	<b>Cash and Cash equivalent at the end of the Accounting Period</b>	361,22,82,678	249,96,70,435

In terms of our report of even date attached

**For Joseph & Rajaram**  
Chartered Accountants  
Firm Registration No.001375S

For and on behalf of the Board of Directors

Sd/-  
**Lakshminarayanan .R**  
Partner  
Membership No.016246

Sd/-  
**K. Baskaran, IAS**  
Director

Sd/-  
**Harmander Singh, IAS**  
Chairman

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

**Place: Chennai**  
Date: 21.09.2020

# TAMIL NADU URBAN DEVELOPMENT FUND

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup>MARCH 2020

Note No	Details	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
		(₹)	
<b>Note-1</b>	<b>Contribution by Settlor</b> Initial Settlement Amount	5,000	5,000
<b>Total</b>		<b>5,000</b>	<b>5,000</b>
<b>Note-2</b>	<b>Reserves &amp; Surplus</b>		
1	Capital Reserve	2,66,40,789	2,66,40,789
2	Net Income / Surplus		
	Opening balance	64,14,42,995	52,72,30,861
	Add : Transfer during the year	13,03,09,271	11,42,12,134
	<b>Closing Balance</b>	<b>77,17,52,266</b>	<b>64,14,42,995</b>
<b>Total</b>		<b>79,83,93,055</b>	<b>66,80,83,784</b>
<b>Note-3</b>	<b>Units</b> (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
<b>Total</b>		<b>199,59,69,211</b>	<b>199,59,69,211</b>
<b>Note- 4</b>	<b>Loans Borrowed</b>		
1	Loans under IBRD line of credit	1540,46,14,910	1384,93,72,145
2	Loans under JICA line of credit	260,27,00,000	260,27,00,000
3	Loans under KfW line of credit	972,51,78,997	985,62,97,961
4	Loans under ADB line of credit	150,00,00,000	0
<b>Total</b>		<b>2923,24,93,907</b>	<b>2630,83,70,106</b>

# TAMIL NADU URBAN DEVELOPMENT FUND

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

Note No	Details	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
		(₹)	
<b>Note- 5</b>	<b>Current Liabilities</b>		
1	<b>Current Liabilities</b>		
	a. Expenses payable	2,17,59,199	2,70,000
	b. TDS payable under GST	0	7,18,794
	c. Amount received in advance from borrowers	54,75,45,758	44,10,51,789
	d. Interest accrued but not due on borrowings	42,33,31,440	43,55,68,634
	e. Front End Fees payable	0	1,50,00,000
2	<b>Provisions for income tax</b>	46,76,58,419	36,72,62,419
<b>Total</b>		<b>146,02,94,816</b>	<b>125,98,71,636</b>
<b>Note- 6</b>	<b>Loans Disbursed</b>		
1	Loans to Urban Infrastructure Projects	2646,65,63,071	2542,37,15,717
	Less: Provisions	10,58,66,252	10,16,94,863
<b>Total</b>		<b>2636,06,96,819</b>	<b>2532,20,20,854</b>
<b>Note- 7</b>	<b>Current Assets</b>		
1	<b>Cash and Cash Equivalents</b>		
	a. In Savings Bank Accounts	8,80,82,678	10,49,70,435
	b. In Public Deposit Account	352,42,00,000	239,47,00,000
	c. In Deposit Accounts	38,00,00,000	0
2	<b>Current Investments</b>		
	a. Term Deposits with Companies	131,93,53,687	95,67,52,954
3	<b>Other Current Assets</b>		
	a. Interest accrued on deposits and investments	6,12,67,204	3,54,60,160
	b. Interest accrued on loans disbursed	68,43,64,995	59,32,39,033
	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	103,56,47,998	79,16,13,693
<b>Total</b>		<b>712,64,59,170</b>	<b>491,02,78,883</b>

# TAMIL NADU URBAN DEVELOPMENT FUND

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

Note No	Details	For the Year Ended 31 <sup>st</sup> March 2020	For the Year Ended 31 <sup>st</sup> March 2019
<b>Note- 8</b>	<b>Financial Cost</b>		
1	Interest on Units	16,56,65,445	16,56,65,445
2	Interest on loans borrowed	195,80,06,132	174,54,27,397
<b>Total</b>		<b>212,36,71,577</b>	<b>191,10,92,842</b>
<b>Note- 9</b>	<b>Management Fee &amp; Other Operating Expenses</b>		
1	Management Fees	6,78,14,200	6,35,97,227
2	Front End Fees on loans borrowed	2,00,00,000	4,24,73,000
3	Auditors' Remuneration		
	- Audit	1,77,000	1,77,000
	- Tax Audit	23,600	23,600
4	Other Expenses	13,33,340	8,97,580
<b>Total</b>		<b>8,93,48,140</b>	<b>10,71,68,407</b>

### Note – 10 – Entity Information

Tamil Nadu Urban Development Fund (TNUDF) was established as a Trust with Government of Tamil Nadu as the Settlor. Three institutions namely, IL & FS Financial Services Limited, Housing Development Finance Corporation Limited and ICICI Bank Limited along with Government of Tamil Nadu have supported the Trust by providing unsecured loans by way of units and they are the beneficiaries. The major portion of the Funds has been given by the Government of Tamil Nadu. The Trust is providing financial assistance in the form of loan to Urban Local Bodies for implementation of various urban infrastructure projects. M/s. Tamil Nadu Urban Infrastructure Trustee Company Limited are the Trustees. The Trust is managed by the fund manager M/s. Tamil Nadu Urban Infrastructure Financial Services Limited.



# **TAMIL NADU URBAN DEVELOPMENT FUND**

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

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

### **Note – 11- Significant Accounting Policies**

#### **a. Basis of Accounting**

The financial statements (except cash flow statement) 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. The cash flow statement has been prepared in accordance with AS-3 on “Cash flow statements” 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**

The trust will be framing the policy on Long Term Benefits to Employees as provided in AS-15 once employees are recruited. 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 and Cost of Borrowing**

Amounts given to the Trust with repayment provision are treated as Borrowings. Borrowing costs are recognized as expenditure (Financial Cost) in the year in which they are incurred. Borrowing costs which will result in future economic benefit to the Trust and the cost can be measured are capitalized as part of the cost of the qualifying asset.

#### **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**

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

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

### **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.

### **k. Management Fees**

The Trust is managed by the fund manager M/s. Tamil Nadu Urban Infrastructure Financial Services Limited. The fund manager takes care of the project appraisal, loan management and treasury management. The Management Fees is paid to the fund manager on the basis of the loans sanctioned & disbursed, average loan balance and average investment & deposit balance.

## **Note – 12 - Additional information to the Financial Statements**

### **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.

# TAMIL NADU URBAN DEVELOPMENT FUND

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

### ii. Net Income / Surplus

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 / surplus has been retained by the Trust after providing for Income Tax / Surplus. Such Net Income / Surplus 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. The accounts and records are maintained separately for each of the externally aided project in TNUDF viz. Tamil Nadu Urban Development Project-II (TNUDP-II), Tamil Nadu Urban Development Project-III (TNUDP-III), Tamil Nadu Sustainable Urban Development Project (TNSUDP), Tamil Nadu Urban Infrastructure Project (TNUIP), Sustainable Municipal Infrastructure Financing in Tamil Nadu – Phase-I (SMIF-TN-I) Program, Sustainable Municipal Infrastructure Financing in Tamil Nadu – Phase-II -Part-1 & Part-2 Programs (SMIF-TN-II-1 & SMIF-TN-II-2), Tamil Nadu Urban Flagship Investment Program-Tranche-1 (TNUFIP-T1).

The details are furnished below:

(in ₹)

Line of Credit	Balance as on 01.04.2019	Additions: Borrowings	Deductions: Repayments	Balance as on 31.03.2020
<b>I IBRD lines of credit</b>				
TNUDP-II	76,90,13,688	0	15,25,63,711	61,64,49,977
TNUDP-III	558,03,58,457	0	29,21,93,524	528,81,64,933
TNSUDP	750,00,00,000	200,00,00,000	0	950,00,00,000
<b>ii. JICA lines of credit</b>				
TNUIP	260,27,00,000	0	0	260,27,00,000
<b>iii. KfW lines of credit</b>				
SMIF-TN-I	355,89,97,961	0	11,20,75,197	344,69,22,764
SMIF-TN-II-1	329,73,00,000	0	1,90,43,767	327,82,56,233
SMIF-TN-II-2	300,00,00,000	0		300,00,00,000
<b>iv. ADB lines of credit</b>				
TNUFIP-T1	0	150,00,00,000	0	150,00,00,000
<b>Total</b>	<b>2630,83,70,106</b>	<b>350,00,00,000</b>	<b>57,58,76,199</b>	<b>2923,24,93,907</b>

# TAMIL NADU URBAN DEVELOPMENT FUND

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### c. Loans Disbursed

The loans disbursed by the Trust are unsecured in nature. The accounts and records are maintained separately for each of the externally aided project and its own funds in TNUDF.

The details are furnished below:

(in ₹)

Line of Credit	Balance as on 01.04.2019	Additions: Lending	Deductions: Repayments	Balance as on 31.03.2020
<b>I IBRD lines of credit</b>				
TNUDP-II	76,90,13,688	0	15,25,63,711	61,64,49,977
TNUDP-III	175,43,95,256	0	16,91,03,328	158,52,91,928
TNSUDP	915,91,53,340	73,20,00,000	9,26,64,630	979,84,88,710
<b>ii. JICA lines of credit</b>				
TNUIP	243,67,33,223	1,00,00,000	8,68,12,223	235,99,21,000
<b>iii. KfW lines of credit</b>				
SMIF-TN-I	317,45,61,075	0	24,21,04,084	293,24,56,991
SMIF-TN-II-1	252,09,07,100	18,19,00,000	10,97,68,179	259,30,38,921
SMIF-TN-II-2	219,27,33,440	56,37,00,000	19,05,27,990	256,59,05,450
<b>iv. ADB lines of credit</b>				
TNUFIP-T1	0	65,00,00,000	0	65,00,00,000
<b>v. TNUDF own funds</b>				
Own Funds	341,62,18,595	0	5,12,08,501	336,50,10,094
<b>Total</b>	<b>2542,37,15,717</b>	<b>213,76,00,000</b>	<b>109,47,52,646</b>	<b>2646,65,63,071</b>

### d. Provisioning Norms for Loans Disbursed

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 31<sup>st</sup> March 2020. Provision @ 0.40% on the loan balance has been provided for as a prudent measure.

# TAMIL NADU URBAN DEVELOPMENT FUND

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### e. Capital commitments, contingent liabilities and others:

I Term loans pending disbursement against sanction for which funds have been received from the Government is ₹166.20 crores (as on 31<sup>st</sup> March 2019 is ₹ 158.96 crores).

ii. The Trust has been assessed to Income Tax and status of appeal on the Income Tax Assessments for various years are as follows:

AY's	Assessment	Appeal	Present Status	Remarks
1997-98 to 2005-06	Trust was asked to pay tax on the net income.	ITAT allowed the appeals and remanded back to the Assessing Officer (AO). However, the AO rejected the claim.	Against the orders of AO Writ Petitions were filed before High Court (HC) and HC passed orders in favour of Trust.	The IT Department has to pass orders for refund and refund the tax paid.
2006-07 & 2007-08	Trust was asked to pay tax on net income.	Appeal - Form-8 filed before CIT-(A)	Pending with CIT-(A).	Disputed tax along with interest has been paid.
2008-09 & 2009-10	Trust was asked to pay tax on the net income.	ITAT gave orders in favour of the Trust	Special Leave Petition filed before Supreme Court (SC) by IT Department was dismissed.	The IT Department has to pass orders for refund and refund the tax paid.
2010-11 to 2015-16	Interest paid on Units was disallowed.	Appeals filed before ITAT	Pending with ITAT.	Disputed tax along with interest has been paid.

# TAMIL NADU URBAN DEVELOPMENT FUND

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup>MARCH 2020

### **f. Expenditure and earnings in Foreign Currency:**

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

**Note – 13** - Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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In terms of our report of even date annexed.

**For Joseph & Rajaram**

Chartered Accountants

Firm Registration No.001375S

For and on behalf of the Board of Directors

Sd/-

**Lakshminarayanan .R**

Partner

Membership No.016246

Sd/-

**K. Baskaran, IAS**

Director

Sd/-

**Harmander Singh, IAS**

Chairman

**Place: Chennai**

Date: 21.09.2020

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



# TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

## DIRECTOR'S REPORT

To the Members,

Tamil Nadu Urban Infrastructure Trustee Company Limited,

Your Directors have pleasure in submitting their 23<sup>rd</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2020

### 1 FINANCIAL RESULTS

(₹ in lakhs)

Particulars	2019-20	2018-19
Total Income	0.92	0.99
Total Expenditure	0.68	0.82
Net Profit before tax	0.24	0.17
Tax expense	0.06	0.09
<b>Net Profit for the year after tax</b>	<b>0.18</b>	<b>0.08</b>

### 2 SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as at March 31, 2020 is Rs.10.07 lakhs. During the year under review, the Company has not issued shares nor granted any stock options or sweat equity. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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

### 3 DIVIDEND

No Dividend was declared for the current financial year

### 4 TRANSFER OF UNCLAIMED DIVIDED TO INVESTOR EDUCATION AND PROTECTION FUND

Nil.

### 5 TRANSFER TO RESERVES

Nil.

### 6 REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS

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

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

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

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

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

The Company has not earned any foreign exchange and outgo during the financial year 2019-20.

**9 DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

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

**10 CORPORATE SOCIAL RESPONSIBILITY**

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

**11 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

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

**12 TRANSACTIONS WITH RELATED PARTIES**

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

**13 STATUTORY AUDITOR'S REPORT AND SECRETARIAL COMPLIANCE REPORT**

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report are not applicable to the Company. However, 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 ensure compliance of Companies Act, 2013 & related rules and a voluntary Secretarial Compliance report is attached.

**14 DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

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

## 15 POLICY ON DIRECTORS APPOINTMENT, REMUNERATION AND OTHER DETAILS

The above said provisions are applicable to the Company.

## 16 ANNUAL RETURN

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

## 17 NUMBER OF MEETINGS OF THE BOARD

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

Sl. No.	Date(s) of Meetings of the Board	No. of Directors on the date of Meeting	No. of Directors attended the Meeting
1.	27.06.2019	9	5
2.	23.09.2019	9	6
3.	19.12.2019	9	6
4.	24.03.2020	9	6

The attendance of the Directors is furnished below:

Sl. No.	Name of Director	No. of Board Meetings entitled to attend	No. of Board Meetings attended
1.	Mr. Harmander Singh, IAS	4	4
2.	Ms. Kakarla Usha, IAS,	2	2
3.	Mr. G. Prakash, IAS	2	2
4.	Ms. Pooja Kulkarni, IAS	4	4
5.	Mrs. Jayashree Raghunandan, IAS	4	-
6.	Mr. S.Krishnan, IAS	1	-
7.	Mr. Rajesh Lakhoni, IAS	3	1
8.	Mr. Thallam Sreekumar	4	-
9.	Mr. G.Vetrivel	4	4
10.	Mr. L.Krishnan	4	4
11.	Mr.Mathew Joseph	4	2

## 18 DIRECTORS' RESPONSIBILITY STATEMENT

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

i. in the preparation of Annual Accounts for the financial year ended 31<sup>st</sup> March 2020, 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 31<sup>st</sup> March 2020 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March, 2020;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **19 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

## **20 DEPOSITS FROM PUBLIC**

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

## **21 DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the financial year 2019-20, Mr.RajeshLakhoni, IAS in the place of Mr. S.Krishnan, IAS and Mr.G.Prakash, IAS in the place of Mrs. Kakarla Usha, IAS have been appointed as Directors of the Company.

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

## **22 DECLARATION OF INDEPENDENT DIRECTORS**

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

## **23 INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

## **24 STATUTORY AUDITORS**

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

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

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

## **25 AUDIT COMMITTEE AND VIGIL MECHANISM**

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

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

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

## **27 APPRECIATION**

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

For and on behalf of Board of Directors

Sd/-

**Harmander Singh, IAS**

Chairman

DIN. 03291250

Place : Chennai 600028

Date : 07.11.2020

**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****as on financial year ended on 31.03.2020****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)  
of the Company (Management & Administration ) Rules, 2014.****REGISTRATION & OTHER DETAILS:**

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

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Financial Related Services Other financial service activities, except insurance and pension funding activities	9971	100%

**III PARTICULARS OF HOLDING SUBSIDIARY & ASSOCIATE COMPANIES**

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



**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		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF										
b) Central Govt.or State Govt.		49400	49400	49.06%		49400	49400	49.06%	0	
c) Bodies Corporates										
d) Bank/FI		51300	51300	50.94%		51300	51300	50.94%	0	
e) Any other										
<b>SUB TOTAL:(A) (1)</b>		100700	100700	100%		100700	100700	100%	0	
<b>(2) Foreign</b>										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
<b>SUB TOTAL (A) (2)</b>										
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>		100700	100700	100%		100700	100700	100%	0%	
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>		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)										
<b>SUB TOTAL (B)(1):</b>		0	0	0		0	0	0	0	
<b>(2) Non Institutions</b>										
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)										
<b>SUB TOTAL (B)(2):</b>		0	0	0		0	0	0	0	
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>		0	0	0		0	0	0	0	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
<b>Grand Total (A+B+C)</b>		100700	100700	100%	0	100700	100700	100%	0	0

## (ii) SHARE HOLDING OF PROMOTERS

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

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

No Change

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

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

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

(v) Shareholding of Directors & KMP

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

DIRECTORS SHAREHOLDING

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

## V. INDEBTEDNESS

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

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD/WTM/Manager					
1	<b>Gross salary</b>				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						
	<b>Total (A)</b>			0	0	0	0
	<b>Ceiling as per the Act</b>						

**B. Remuneration to other directors:**

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

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

Sl.No	Particulars of Remuneration	Key Managerial Personel					
1	<b>Gross Salary</b>	<b>CEO</b>	<b>Company Secretary</b>	<b>CFO</b>	<b>Total</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.000	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						
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>			

**VII PENALTIES/PUNISHMENT/COMPPOUNDING 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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## **SECRETARIAL COMPLIANCE REPORT**

Name of the Company : Tamil Nadu Urban Infrastructure Trustee Company Ltd  
Corporate Identity Number : U65991TN1996PLC036866  
Authorised Share Capital : Rs.1100000/-  
Paid-up Capital : Rs.1007000/-

To  
M/s.Tamil Nadu Urban Infrastructure Trustee Company Ltd  
No.19, T.P.Scheme Road, Raja Annamalaipuram  
Chennai – 600 028.

Sir,

I have examined the registers, records, books and papers of Tamil Nadu Urban Infrastructure Trustee Company Ltd as required to be maintained under the Companies Act, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2020. In my opinion and to the best of information and according to the examinations carried out by me, based on the records, documents and registers produced to me and information and explanations provided to me by the Company, its officers and agents, I certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as stated in Annexure “A” to this certificate, as per the provisions and the rules made there under and certain entries need to be recorded/updated in the registers.
2. The Company has filed necessary forms and returns with the Registrar of Companies during the Financial Year 2019-20 as stated in Annexure “B”.
3. The Board of Directors have met 4 (Four) times on 27/06/2019, 23/09/2019, 19/12/2019 and 24/03/2020 in accordance with the provisions of the Companies Act, in respect of which meetings notice were given and the proceedings were recorded and signed, including circular resolutions passed in the minutes book maintained for the purpose.
4. The Annual General Meeting for the financial year ended on 31.03.2019 was held on 23/09/2019 and after giving notice to the Members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
5. No Extra ordinary General Meeting was held during the year under scrutiny.
6. Section 204 of Companies Act read with Rule 4 Chapter XI, Companies (Appointment and Qualification of Directors) Rules, 2014 is not applicable to this Company with regard to appointment of Independent Directors.
7. According to Section 177 of Companies Act, 2013 read with Rule 6 Chapter XII, Companies (Meetings of Board and its Powers) Rules 2014, the Company need not constitute Audit Committee & Nomination Committee.
8. As per Section 149 of Companies Act, 2013, read with Rule 3 Chapter XI, Companies (Appointment and Qualification of Directors) Rules, 2014 the Company need not appoint Woman Directors.
9. According to Section 177 of Companies Act read with Rule 7 Chapter XII, Companies (Meetings of Board and its Powers) Rules, 2014, the Company is not under the purview of Vigil Mechanism.
10. As per the information provided to me there are no contracts required to be entered in the register maintained under Section 189 of the Act.



11. As per the information provided to me, there were no instances falling within the purview of Section 188 (Related Party Transactions) of the Act, and the Company was not required to obtain any approvals from the Board of Directors, Members or Central Government.
12. As per the information provided to me, no duplicate share certificate has been issued during the period under review.
13. There were no requests for transfer of shares during the period under review.
14. Section 135 of Companies Act 2013 in respect of Corporate Social Responsibility is not applicable to this company.
15. As per the information provided to me, the Company was not required to obtain any approvals of the Central Government, National Company Law Tribunal (NCLT), Registrar of Companies or any other related authority under the Act.
16. The Company has not issued shares and debentures during the period under review.
17. The Company has not bought back any shares during the period under review.
18. The Company has not issued any preference shares/debentures during the period under scrutiny or earlier and therefore the question of redeeming any preference shares/debentures does not arise.
19. The Company has not accepted deposits from the public and hence, the question of complying with the applicable provisions of the Companies Act, 2013 does not arise.
20. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the period under scrutiny.
21. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the period under scrutiny.
22. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the period under scrutiny.
23. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the period under scrutiny.
24. The Company has not altered its Articles of Association during the period under scrutiny.
25. I have been informed that no prosecution has been initiated against or show cause notices received by the Company during the financial year.
26. The Company has not received any money as security from its employees during the financial year.
27. This is a Voluntary Secretarial Compliance Report since the Company is not under the purview of the Section 204 (1) of the Companies Act, 2013.

Forms part of the Voluntary Secretarial Compliance Report dated 12/08/2020 issued to Tamilnadu Urban Infrastructure Trustee Company Ltd:

### **Annexure A**

Registers as maintained by the Company

1. Register of Members.
2. Share application and allotment register.
3. Register of Share Transfer.
4. Register of Directors & Key Managerial Personnel & their shareholdings.
5. Register of Charges.
6. Register of Contracts in which Directors are interested.
7. Minutes book.
8. Registers of loans, guarantee, security and acquisition.
9. Register of investments.
10. Register of Fixed assets.
11. Common seal book.

Place : Chennai

Date : 12.08.2020

# PONRAJ & CO

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

To the members of Tamil Nadu Urban Infrastructure Trustee Company Limited

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### Opinion

We have audited the Financial Statements of **Tamil Nadu Urban Infrastructure Trustee Company Limited** ("the Company"), which comprises the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss and for the year then ended, and notes to the Financial Statements, including a summary of the significant Accounting Policies and other explanatory Information.

In our opinion and to the best of our Information and according to the explanations given to us, the aforesaid financial statements give the Information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and Profit and its cash flows for the year ended on that date.

##### Basis for Opinion

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

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

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Board's Report including annexures thereto and management discussion and analysis, but does not include the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's report we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to Report in this regard.

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

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a True and Fair view of the Financial Position, Financial Performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting Policies; making judgments and estimates that are reasonable and prudent; and design, Implementation and Maintenance of adequate Internal Financial controls, that were operating effectively for ensuring the accuracy and completeness of the Accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of Accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

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

##### Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the Risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on other legal and Regulatory requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure 'A' to this Report, a statement on the matters specified in para 3 and 4 of the said Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B';
  - (g) with respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration to the directors during the year and accordingly reporting on compliance with section 197 is not applicable; and
  - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations having an impact on its financial position in its financial;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Chennai  
Date : 21.09.2020

Membership Number: 210771  
UDIN : 20210771AAAACW9898



# PONRAJ & CO

## CHARTERED ACCOUNTANTS

### Annexure A to the Independent Auditor's Report - 31<sup>st</sup> March 2020

#### I In respect of Fixed Assets-

- a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. However, the company does not own any fixed assets on the date of balance sheet.
- b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. However, the company does not own any fixed assets on the date of balance sheet and hence physical verification of assets has not been carried out.
- c. Based on our audit procedures performed for the purpose of reporting true and fair view of the financials statements and according to the information and explanations given by the management, the company does not own any immovable property.
- ii. The Company is a service company and it does not hold inventories. Hence, clause 3 (ii) of the Order is not applicable to the Company.
- iii. There are no companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 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, 2020 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and the records of the Company examined by us, there are no dues which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. No Managerial remuneration is paid during the current financial year and hence the provisions of section 197 read with schedule 5 of the Companies Act 2013 does not arise.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examinations of the records of the Company, there are no reportable transactions with the related parties and accordingly the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him/her. Accordingly, the provisions of paragraph 3(xv) are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45 – IA of the Reserve Bank of India Act, 1934.

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

Membership Number: 210771  
UDIN : 20210771AAAACW9898

Place : Chennai  
Date : 21.09.2020

**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 2020 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Chennai  
Date : 21.09.2020

Membership Number: 210771  
UDIN : 20210771AAAACW9898



# TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

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

## BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
		(₹)	
<b>I. EQUITY AND LIABILITY</b>			
<b>Shareholders' Funds</b>			
a. Share Capital	3	10,07,000	10,07,000
b. Reserves & Surplus	4	1,25,790	1,07,606
<b>Non-Current Liabilities</b>			
a. Long Term Borrowings		0	0
b. Deferred Tax Liabilities (Net)		0	0
c. Other Long-Term Liabilities		0	0
d. Long Term Provisions		0	0
<b>Current Liabilities</b>			
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	29,500
c. Short Term Provisions		0	0
<b>Total</b>		<b>11,56,390</b>	<b>11,44,106</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
a. <b>Fixed Assets</b>			
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
<b>2. Current Assets</b>			
a. Current Investments	6	10,00,000	10,00,000
b. Inventories		0	0
c. Trade Receivables		0	0
d. Cash and Bank Balance	7	1,43,406	49,151
e. Short Term Loans and Advances	8	10,000	10,491
f. Other Current Assets	9	2,984	84,464
<b>Total</b>		<b>11,56,390</b>	<b>11,44,106</b>
<b>Notes including Significant Accounting Policies</b>	1 to 13		

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

### For Ponraj & Co

Chartered Accountants  
Firm Registration No.002672S

Sd/-

**CA. N. Raghuram**

Partner  
Membership No.210771

Place : Chennai  
Date : 21.09.2020

### For and on behalf of the Board of Directors

Sd/-

**K. Baskaran, IAS**

Director  
DIN No.03486955

Sd/-

**Harmander Singh, IAS**

Chairman  
DIN No.03291250

# TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

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

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

Particulars	Note No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
		( ₹ )	
<b>I. Revenue from Operations</b>	10	0	0
<b>II. Other Income</b>		92,288	99,057
<b>III. Total Revenue (I+II)</b>		<b>92,288</b>	<b>99,057</b>
<b>IV. Expenses</b>	11		
Employee Benefits		0	0
Finance Cost		0	0
Depreciation and amortization Expenses		0	0
Other Expenses		67,700	81,832
<b>Total Expenses</b>		<b>67,700</b>	<b>81,832</b>
<b>V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)</b>		<b>24,588</b>	<b>17,225</b>
<b>VI. Exceptional Items</b>		0	0
<b>VII. Profit Before Extraordinary Items and Tax (V - VI)</b>		<b>24,588</b>	<b>17,225</b>
<b>VIII. Extraordinary Items</b>		<b>0</b>	<b>0</b>
<b>IX. Profit Before Tax (VII - VIII)</b>		<b>24,588</b>	<b>17,225</b>
<b>X. Tax Expense</b>			
1. Current Tax		6,400	4,480
2. Prior Years Tax		4	5,104
3. Deferred Tax		0	0
<b>XI. Profit for the year from continuing operations (IX - X)</b>		<b>18,184</b>	<b>7,641</b>
<b>XII. Earnings Per Share (Basic &amp; Diluted)</b>	12.3	<b>0.18</b>	<b>0.08</b>
<b>Notes including Significant Accounting Policies</b>	1 to 13		

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

### For Ponraj & Co

Chartered Accountants  
Firm Registration No.002672S

Sd/-

**CA. N. Raghuram**

Partner

Membership No.210771

Place : Chennai

Date : 21.09.2020

### For and on behalf of the Board of Directors

Sd/-

**K. Baskaran, IAS**

Director

DIN No.03486955

Sd/-

**Harmander Singh, IAS**

Chairman

DIN No.03291250

# TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

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

## Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2020

### Note 1: Corporate Information:

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

### Note 2: Significant Accounting Policies:

#### (a) Basis of Accounting

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

#### (b) Fixed Assets

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

#### (c) Depreciation

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

#### (d) Investments

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

#### (e) Revenue Recognition

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

#### (f) Employee Retirement Benefits

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

#### (g) Impairment of Assets:

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

#### (h) Taxes on Income:

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

#### (i) Provisions, Contingent Liability & Contingent Assets:

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

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

#### (j) Preliminary Expenses:

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

# TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

### Note 3: Share Capital

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	In ₹	No. of Shares	In ₹
<b>(a) Authorised</b> Equity shares of ₹ 10 each with voting rights	1,10,000	11,00,000	1,10,000	11,00,000
<b>(b) Issued, Subscribed and Fully paid-up</b> 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
<b>Equity shares with voting rights</b>			
Year ended 31 <sup>st</sup> March, 2020			
- 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 <sup>st</sup> March, 2019			
- Number of shares (Face Value of ₹ 10 each)	1,00,700	0	1,00,700
- Amount (₹)	10,07,000	0	10,07,000

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

Class of shares / Name of share holder	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
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**

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2020**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	(₹)	
<b>Note 4: Reserves and Surplus</b>		
(a) General reserve	0	0
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,07,606	99,965
Add: Profit / (Loss) for the year	18,184	7,641
<b>Total</b>	<b>1,25,790</b>	<b>1,07,606</b>
<b>Note 5: Other Current Liabilities</b>		
Other payables		
(i) Statutory remittances	0	0
(ii) Contractually reimbursable expenses	23,600	29,500
<b>Total</b>	<b>23,600</b>	<b>29,500</b>
<b>Note 6: Current Investment</b>		
Deposit with Companies	10,00,000	10,00,000
<b>Total</b>	<b>10,00,000</b>	<b>10,00,000</b>

# TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	(₹)	
<b>Note 7 : Cash and Bank Balances</b>		
<b>(A) Cash and Cash Equivalents</b>		
(a) Cash on hand	0	0
(b) Balances with bank		
(i) In current account	1,43,406	49,151
(ii) Cash Credit Account	0	0
(iii) Deposit with original maturity of less than 3 months	0	0
<b>Total - A</b>	<b>1,43,406</b>	<b>49,151</b>
<b>(B) Other bank balances</b>		
(a) Deposit with original maturity for more than 3 months but Less than 12 months	0	0
(b) Unpaid dividend	0	0
(c) Cheques on hand	0	0
<b>Total - B</b>	<b>0</b>	<b>0</b>
<b>Total – (A+B)</b>	<b>1,43,406</b>	<b>49,151</b>
<b>Note 8: Short-term Loans and Advances</b>		
Others – Unsecured, considered good	10,000	10,491
<b>Total</b>	<b>10,000</b>	<b>10,491</b>
<b>Note 9: Other Current Assets</b>		
(a) Accruals		
(i) Interest accrued on deposits	0	79,560
(ii) Interest accrued on investments	0	0
(b) Others		
(i) Advance tax and TDS (net of provisions)	2,984	4,904
<b>Total</b>	<b>2,984</b>	<b>84,464</b>



# TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31ST MARCH 2020**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	(₹)	
<b>Note 10: Other income</b>		
<b>(a) Interest income</b>		
On Investments (Tax-free)	0	0
On Term Deposits	92,094	90,869
<b>(b) Other non-operating income</b>		
Miscellaneous Income	194	8,188
<b>Total</b>	<b>92,288</b>	<b>99,057</b>
<b>Note 11: Other Expenses</b>		
Administrative expenses	18,000	18,000
Filing Fees	2,400	3,600
Legal and professional	20,200	36,632
Office Maintenance - Others	3,500	0
Payments to auditors: Statutory Audit Fees	23,600	23,600
<b>Total</b>	<b>67,700</b>	<b>81,832</b>

### Note 12: Additional Information to the Financial Statements

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	(₹)	
<b>12.1 Contingent liabilities and commitments (to the extent not provided for)</b>	0	0
<b>12.2 Amount due to MSME Units</b>	0	0
<b>12.3 Earnings per share</b>		
Profit After Tax	18,184	7,641
Number of Equity Shares	1,00,700	1,00,700
<b>Earning Per Share</b>		
Basic	0.18	0.08
Diluted	0.18	0.08

# **TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED**

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

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**

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

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

### **Note 13: Previous year's Figures**

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

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

In terms of our report of even date annexed.

#### **For Ponraj & Co**

Chartered Accountants

Firm Registration No.002672S

Sd/-

**CA. N. Raghuram**

Partner

Membership No.210771

Place : Chennai

Date : 21.09.2020

#### **For and on behalf of the Board of Directors**

Sd/-

**K. Baskaran, IAS**

Director

DIN No.03486955

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 23<sup>rd</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2020.

### 1 FINANCIAL RESULTS

Particulars	Financial Year 2019-20	Financial Year 2018-19
	(Amount Rs. in lakhs)	
Total Income	1285.07	1176.96
Total Expenses	610.90	603.44
<b>Profit or Loss before Tax</b>	<b>674.17</b>	<b>573.52</b>
Less: Tax Expense	192.61	150.37
<b>Profit for the year (After Tax)</b>	<b>481.56</b>	<b>423.15</b>
<b>Add: Balance as per last Balance Sheet</b>	<b>3117.80</b>	<b>2773.16</b>
Less: Transfer to General Reserve	48.16	42.32
Less: Dividend	30.02	30.02
Less: Tax on Dividend	6.17	6.17
Balance carried to Balance Sheet	3515.01	3117.80

### 2 SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as at March 31, 2020 is Rs.100.07 lakhs. During the year under review, the Company has not issued shares nor granted any stock options or sweat equity. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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

### 3 DIVIDEND

Considering the net profit of the Company during the current financial year, it is proposed to declare dividend @ 30% on paid up equity share capital for the financial year ended 31.3.2020. The dividend absorbs a sum of ₹ 30.02 lakhs.

**4 TRANSFER OF UNCLAIMED DIVIDED TO INVESTOR EDUCATION AND PROTECTION FUND**

Nil.

**5 TRANSFER OF RESERVES**

The Company proposes to transfer a sum of Rs. 48.16 lakhs to General Reserve during the financial year ended 31<sup>st</sup> March 2020.

**6 REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS**

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

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

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

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

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

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

The Company has not earned any foreign exchange during the financial year 2019-20.

**9 DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

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

**10 CORPORATE SOCIAL RESPONSIBILITY**

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

As part of CSR initiatives, environmental education for sustainable development programs have been conducted for the benefit school children and teachers. A sum of Rs.10.05 lakhs was utilized on activities specified in Schedule VII of the Companies Act, 2013. A report on CSR activities is attached as Annexure to this Report.

**11 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

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

## **12 TRANSACTIONS WITH RELATED PARTIES**

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

## **13 STATUTORY AUDITOR'S REPORT AND SECRETARIAL COMPLIANCE REPORT**

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report are not applicable to the Company. However, 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 ensure compliance of Companies Act 2013 & related rules and a voluntary Secretarial Compliance report is attached.

## **14 DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has constituted an Internal Complaint Committee for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 to redress the complaints received regarding sexual harassment from any employee. The Committee has an external member with majority of the members are women. The Company did not receive any complaint during the financial year 2019-20.

## **15 POLICY ON DIRECTORS APPOINTMENT, REMUNERATION AND OTHER DETAILS**

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

## **16 EXTRACT OF THE ANNUAL RETURN**

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

## **17 NUMBER OF MEETINGS OF THE BOARD**

The Company has conducted five 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:

<b>Sl. No.</b>	<b>Date(s) of Meetings of the Board</b>	<b>No. of Directors on the date of Meeting</b>	<b>No. of Directors attended the meeting</b>
1.	27.06.2019	10	5
2.	23.09.2019	10	6
3.	29.10.2019	10	7
4.	19.12.2019	10	8
5.	24.03.2020	10	8

The attendance of the Directors is furnished below:

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

## 18 Directors' Responsibility Statement

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

- i. in the preparation of Annual Accounts for the financial year ended 31<sup>st</sup> March 2020, 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 31<sup>st</sup> March 2020 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March, 2020;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 19 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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



## **20 DEPOSITS FROM PUBLIC**

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

## **21 DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the financial year 2019-20, Mr.G.Prakash, IAS, MD,TNUIFSL (in the place of Mrs.Kakarla Usha, IAS) Mr. Rajesh Lakhoni, IAS (in the place of Mr.S.Krishnan, IAS), Dr.K.Baskaran, IAS (in the place of Dr.D.Karthikeyan, IAS) and Mr.Apurva Varma, IAS (in the place of Mr.Ashok Dongre, IAS) has been appointed as Director(s) of the Company.

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

## **22 DECLARATION OF INDEPENDENT DIRECTORS**

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

## **23 INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

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

## **24 STATUTORY AUDITORS**

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

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

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

## **25 AUDIT COMMITTEE AND VIGIL MECHANISM**

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

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

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

## **27 Appreciation**

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

For and on behalf of the Board of Directors

Sd/-

**Harmander Singh, IAS**

Chairman

DIN. 03291250

Place : Chennai – 600 028

Date : 07.11.2020

**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****as on financial year ended on 31.03.2020****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)  
of the Company (Management & Administration ) Rules, 2014.****REGISTRATION & OTHER DETAILS:**

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

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

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

**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		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF										
b) Central Govt.or State Govt.		490400	490400	49.01%		490400	490400	49.01%	0	
c) Bodies Corporates										
d) Bank/FI		510300	510300	50.99%		510300	510300	50.99%	0	
e) Any other										
<b>SUB TOTAL:(A) (1)</b>		1000700	1000700	100%		1000700	1000700	100%	0	
<b>(2) Foreign</b>										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
<b>SUB TOTAL (A) (2)</b>		0	0	0		0	0	0	0	
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>		1000700	1000700	100%		1000700	1000700	100%	0%	
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>		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)										
<b>SUB TOTAL (B)(1):</b>		0	0	0		0	0	0	0	
<b>(2) Non Institutions</b>										
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)										
<b>SUB TOTAL (B)(2):</b>		0	0	0		0	0	0	0	
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>		0	0	0		0	0	0		
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
<b>Grand Total (A+B+C)</b>		1000700	1000700	100%	0	1000700	1000700	100%	0	0

(ii) SHARE HOLDING OF PROMOTERS

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

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

No Change

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

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

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

(v) Shareholding of Directors & KMP

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

DIRECTORS SHAREHOLDING

	MR. HARMANDER SINGH, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	100	0.01%
	MRS. POOJA KULKARNI, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	100	0.01%
	DR. K. BASKARAN, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	100	0.01%
	MR. APURVA VARMA, IAS (holding shares as nominee of Governor of Tamil Nadu)	100	0.01%	100	0.01%
	Mr.THALLAM SREEKUMAR, (holding shares as nominee of ICICI Bank Ltd)	100	0.01%	100	0.01%
	Mr.G. VETRIVEL (holding shares as nominee of ICICI Bank Ltd)	100	0.01%	100	0.01%
	MR.L.KRISHNAN (holding shares as nominee of IL&FS Financial Services Ltd)	100	0.01%	100	0.01%
	<b>Total</b>	700	0.07%	700	0.07%



## V. INDEBTEDNESS

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

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration			Kakarla Usha, MD	G. Prakash, MD
1	<b>Gross salary</b>			3289110	412078
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.				
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission as % of profit others (specify)				
5	Others, please specify Sitting Fees			30000	45000
	<b>Total (A)</b>	<b>0</b>		3319110	457078
	<b>Ceiling as per the Act</b>				

**B. Remuneration to other directors:**

SI.No	Name of the Directors	Particulars of Remuneration			
1	Independent Directors	0	0	0	
	<b>Total (1)</b>	0	0	0	
2	Other Non Executive Directors	Sitting fees (Rs.)	Commission (Rs.)	Others (Rs.)	Total (Rs.)
	Mr.Harmendar Singh, IAS	75000	0	0	75000
	Mr.Apurva Varma, IAS	30000	0	0	30000
	Ms.Pooja Kulkarni, IAS	75000	0	0	75000
	Mr. Rajesh Lakhoni, IAS	30000	0	0	30000
	Dr. K. Baskaran, IAS	45000	0	0	45000
	Mr.L.Krishnan	75000	0	0	75000
	Mr. Mathew Joseph	30000	0	0	30000
	Mr.G.Vetrivel	75000	0	0	75000
	Mr.Thallam Sreekumar	0	0	0	0
	<b>Total (2)</b>	<b>435000</b>	<b>0</b>	<b>0</b>	<b>435000</b>
	<b>Total (B)=(1+2)</b>	<b>435000</b>			<b>435000</b>
	<b>Total Managerial Remuneration (A)+(B)</b>	0	0	0	<b>4211188</b>
	<b>Overall Cieling as per the Act.</b>	<b>0</b>			

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

SI.No	Particulars of Remuneration	Key Managerial Personnel		
1	<b>Gross Salary</b>	<b>Company Secretary (in Rs.)</b>		<b>Total (in Rs.)</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	5884658		5884658
	(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			
	<b>Total</b>	<b>5884658</b>		<b>5884658</b>

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## **REPORT ON CSR ACTIVITIES CARRYOUT BY THE COMPANY DURING FINANCIAL YEAR 2019-20**

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

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

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

The policy has been amended by the Board in its 102<sup>nd</sup> Meeting held on 05.08.2020 and accordingly the activities relating to promotion of healthcare including preventive healthcare, sanitation & disaster management and Contributions to State Disaster Management Authority has been incorporated.

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 comprising of three Directors and the composition of the Committee as on 31<sup>st</sup> March 2020 is Mr. Harmander Singh, IAS, Additional Chief Secretary to Government, Mr. Apurva Varma, IAS, Chairman and Managing Director, TUFIDCO and Mr. Thallam Sreekumar, ICICI Nominee.

### **iii. Prescribed CSR Expenditure:**

The average net profit of the Company for the three preceding financial years (2016-17, 2017-18 and 2018-19) is Rs. 4.90 crores and accordingly a sum of Rs. 9.80 lakhs have to be spent towards CSR expenses during the financial year 2019-20:

### **iv. Details of CSR Expenditure during the financial year 2019-20:**

- a. Total amount to be spent for the financial year : 9.80 lakhs
- b. Amount unspent, if any : Nil
- c. Manner in which the amount spent during the financial year is detailed below:

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). TNUIFSL in association with CRRT have conducted conduct 35 education programs for Sustainable Development for the benefit of children and teachers of various schools in and around Chennai. 2960 students and 208 teachers have participated in the education programs.

Sl. No.	CSR Activity or activity identified	Sector in which the project is covered	Locations	Amount outlay (budget) project or program wise	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 marinating quality of soil, air, water.	Chennai, Tamil Nadu	Rs.10.00 lakhs	Rs.10.05 lakhs	Carried out in association with Chennai Rivers Restoration Trust (Trust of Government of Tamil Nadu)

#### **v. A responsibility statement of the CSR Committee:**

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

For and on behalf of the Board of Directors

Sd/

**Harmander Singh, IAS**

Chairman

DIN. 03291250

Place : Chennai - 600028

Date : 07.11.2020

### **SECRETARIAL COMPLIANCE REPORT**

Name of the Company : Tamil Nadu Urban Infrastructure Financial Services Ltd  
Corporate Identity Number : U67190TN1996PLC036865  
Authorised Share Capital : Rs.200000000/-  
Paid-up Capital : Rs.100070000/-

To

M/s. Tamil Nadu Urban Infrastructure Financial Services Ltd  
No.19, T.P.Scheme Road, Raja Annamalaipuram,  
Chennai – 600 028.

Sir,

I have examined the registers, records, books and papers of Tamil Nadu Urban Infrastructure Financial Services Ltd as required to be maintained under the Companies Act, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2020. In my opinion and to the best of information and according to the examinations carried out by me, based on the records, documents and registers produced to me and information and explanations provided to me by the Company, its officers and agents, I certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as stated in Annexure “A” to this report, as per the provisions and the rules made there under and certain entries need to be recorded/updated in the registers.
2. The Company has filed necessary forms and returns with the Registrar of Companies during the Financial Year 2019-20 as stated in Annexure “B”.
3. The Board of Directors have met 5 (Five) times on 27/06/2019, 23/09/19, 29/10/2019, 19/12/2019 & 24/03/2020 in accordance with the provisions of the Companies Act, in respect of which meetings notice were given and the proceedings were recorded and signed, including circular resolutions passed in the minutes book maintained for the purpose.
4. The Annual General Meeting for the financial year ended on 31/03/2019 was held on 23/09/2019 and after giving notice to the Members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
5. No Extra ordinary General Meeting was held during the year under scrutiny.
6. Section 204 of Companies Act read with Rule 4 Chapter XI, Companies (Appointment and Qualification of Directors) Rules, 2014 is not applicable to this Company with regard to appointment of Independent Director.
7. According to Section 177 of Companies Act, 2013 read with Rule 6 Chapter XII, Companies (Meetings of Board and its Powers) Rules 2014, the Company need not constitute Audit Committee & Nomination Committee.
8. As per Section 149 of Companies Act, 2013, read with Rule 3 Chapter XI, Companies (Appointment and Qualification of Directors) Rules, 2014 the Company need not appoint Woman Directors.
9. According to Section 177 of Companies Act read with Rule 7 Chapter XII, Companies (Meetings of Board and its Powers) Rules, 2014, the Company is not under the purview of Vigil Mechanism.
10. As per the information provided to me there are no contracts required to be entered in the register maintained under Section 189 of the Act.
11. As per the information provided to me, there were no instances falling within the purview of Section 188 (Related Party Transactions) of the Act, and the Company was not required to obtain any approvals from the Board of Directors, Members or Central Government.
12. As per the information provided to me, no duplicate share certificate has been issued during the period under review.
13. There were no requests for transfer of shares during the period under review.
14. The Company has followed the Companies (Declaration and Payment of Dividend) Rules, 2014.
15. The Company has complied Section 135 of Companies Act 2013 in respect of Corporate Social Responsibility.
16. As per the information provided to me, the Company was not required to obtain any approvals of the Central Government, National Company Law Tribunal (NCLT), Registrar of Companies or any other related authority under the Act.



17. The Company has not issued shares and debentures during the period under review.
18. The Company has not bought back any shares during the period under review.
19. The Company has not issued any preference shares/debentures during the period under scrutiny or earlier and therefore the question of redeeming any preference shares/debentures does not arise.
20. The Company has not accepted deposits from the public and hence, the question of complying with the applicable provisions of the Companies Act, 2013 does not arise.
21. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the period under scrutiny.
22. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the period under scrutiny.
23. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the period under scrutiny.
24. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the period under scrutiny.
25. The Company has not altered its Articles of Association during the period under scrutiny.
26. I have been informed that no prosecution has been initiated against or show cause notices received by the Company during the financial year.
27. The Company has not received any money as security from its employees during the financial year.
28. This is a Voluntary Secretarial Compliance Report since the Company is not under the purview of the Section 204 (1) of the Companies Act, 2013.

Forms part of the Voluntary Secretarial Compliance Report dated 12/08/2020 issued to Tamilnadu Urban Infrastructure Financial Services Ltd:

### **Annexure A**

#### Registers maintained by the Company

1. Register of Members.
2. Register of Share application and allotment
3. Register of Share Transfer.
4. Register of Directors & Key Managerial Personnel & their shareholdings.
5. Register of Charges.
6. Register of Contracts in which Directors are interested.
7. Minutes book.
8. Registers of loans, guarantee, security and acquisition made by the Company
9. Register of investments.
10. Register of Fixed assets.
11. Common seal book.
12. Register of Securities Holders
13. Dividend Register

Forms part of the Voluntary Secretarial Compliance Report dated 12/08/2020 issued to Tamilnadu Urban Infrastructure Financial Services Ltd

### **Annexure B**

Forms and Returns have filed by the Company with the Ministry of Corporate Affairs (MCA) during the financial year 2019-20.

- |   |                                    |
|---|------------------------------------|
| 1. Form MR - 1 - filed on 15/07/2019    | under - SRN H77529782 / 15/07/2019 |
| 2. Form MGT - 14 - filed on 15/07/2019  | under - SRN H77528537 / 15/07/2019 |
| 3. Form DIR - 12 - filed on 15/07/2019  | under - SRN H77524627 / 15/07/2019 |
| 4. Form DIR - 12 - filed on 18/10/2019  | under - SRN R05981964 / 18/10/2019 |
| 5. Form DIR - 12 - filed on 22/10/2019  | under - SRN R07079296 / 22/10/2019 |
| 6. Form DIR - 12 - filed on 18/10/2019  | under - SRN R05981964 / 18/10/2019 |
| 7. Form DIR - 12 - filed on 06/11/2019  | under - SRN R11150828 / 06/11/2019 |
| 8. Form MGT - 7 - filed on 14/11/2019   | under - SRN R12942983 / 14/11/2019 |
| 9. Form AOC - 4 - filed on 22/10/2019   | under - SRN R06852933 / 22/10/2019 |
| 10. Form MGT - 14 - filed on 13/11/2019 | under - SRN R12612263 / 13/11/2019 |
| 11. Form MR - 1 - filed on 13/11/2019   | under - SRN R12607990 / 13/11/2019 |
| 12. Form DIR - 12 - filed on 15/11/2019 | under - SRN R13218730 / 15/11/2019 |

Place : Chennai  
Date : 12/08/2020



# **PONRAJ & CO**

## **CHARTERED ACCOUNTANTS**

### **INDEPENDENT AUDITOR'S REPORT**

**To the members of Tamil Nadu Urban Infrastructure Financial Services Limited**

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

##### **Opinion**

We have audited the Financial Statements of **Tamil Nadu Urban Infrastructure Financial Services Limited** ("the Company"), which comprises the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of the significant Accounting Policies and other explanatory Information.

In our opinion and to the best of our Information and according to the explanations given to us, the aforesaid financial statements give the Information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and Profit and its cash flows for the year ended on that date.

##### **Basis for Opinion**

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

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

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Board's Report including annexures thereto and management discussion and analysis, but does not include the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's report we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to Report in this regard.

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

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a True and Fair view of the Financial Position, Financial Performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting Policies; making judgments and estimates that are reasonable and prudent; and design, Implementation and Maintenance of adequate Internal Financial controls, that were operating effectively for ensuring the accuracy and completeness of the Accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of Accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

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

##### **Auditor's responsibility for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the Risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (If the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on other legal and Regulatory requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure 'A' to this Report, a statement on the matters specified in para 3 and 4 of the said Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B';
  - (g) with respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration to the directors during the year and accordingly reporting on compliance with section 197 is not applicable; and
  - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations having an impact on its financial position in its financial;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: Chennai  
Date : 21.09.2020

Membership Number: 210771  
UDIN:20210771AAAACV7830

**Annexure A to the Independent Auditor's Report - 31 March 2020**

- i. In respect of Fixed Assets-
  - a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c. Based on our audit procedures performed for the purpose of reporting true and fair view of the financials statements and according to the information and explanations given by the management, the company does not own any immovable property.
- ii. The Company is a service company and it does not hold inventories. Hence, clause 3 (ii) of the Order is not applicable to the Company.
- iii. There are no companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. a. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the Company.
  - b. According to the information and explanations given to us and the records of the Company examined by us, there are no dues which have not been deposited on account of any dispute.
- vii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.



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

**For PONRAJ & CO.,**  
Chartered Accountants

FRN – 002672S

Sd/-

**(CA.N.RAGHURAM)**

Partner

Place : Chennai

Date : 21.09.2020

Membership Number: 210771

UDIN:20210771AAAACV7830

## **Annexure - B to the Independent Auditors' Report**

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

We have audited the Internal financial controls over financial reporting of **Tamil Nadu Urban Infrastructure Financial Services Limited** (“Company”) as of 31 March 2020 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For PONRAJ & CO.,**

Chartered Accountants

FRN – **002672S**

Sd/-

**(CA.N.RAGHURAM)**

**Partner**

Place : Chennai

Date : 21.09.2020

Membership Number: **210771**

UDIN:20210771AAAACV7830



# 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 2020

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
		(₹)	
<b>I. EQUITY AND LIABILITY</b>			
<b>Shareholders' Funds</b>			
a. Share Capital	3	1,00,07,000	1,00,07,000
b. Reserves & Surplus	4	39,69,00,493	35,23,63,744
<b>Non-Current Liabilities</b>			
a. Long Term Borrowings		0	0
b. Deferred Tax Liabilities		0	0
c. Other Long-Term Liabilities		0	0
d. Long Term Provisions	5	1,45,80,559	1,41,22,856
<b>Current Liabilities</b>			
a. Trade Payables			
i. Due to Micro and Small Enterprises		0	0
ii. Due to Others		0	0
b. Other Current Liabilities	6	91,41,822	87,80,204
c. Short Term Provisions	7	5,17,392	5,65,540
<b>Total</b>		<b>43,11,47,266</b>	<b>38,58,39,344</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
a. <b>Fixed Assets</b>			
i. Tangible Assets	8	27,65,306	52,75,462
ii. Intangible Assets		0	0
iii. Capital work in progress		0	0
b. Non-current Investments	9	5,63,80,000	6,27,60,000
c. Deferred Tax Asset	19.7	53,30,987	55,56,761
d. Long-term Loans and Advances		0	0
e. Other Non-current Assets		0	0
<b>2. Current Assets</b>			
a. Current Investments	10	29,75,95,664	28,47,10,664
b. Inventories		0	0
c. Trade Receivables	11	1,98,37,865	27,000
d. Cash and Bank Balance	12	1,08,52,025	56,11,302
e. Short Term Loans and Advances	13	8,68,491	7,58,953
f. Other Current Assets	14	3,75,16,928	2,11,39,202
<b>Total</b>		<b>43,11,47,266</b>	<b>38,58,39,344</b>
Notes including Significant Accounting Policies	1 to 21		

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

In terms of our report of even date annexure

**For Ponraj & Co.**

Chartered Accountants

Firm Reg. No. 002672S

Sd/-

**CA. N. Raghuram**

Partner

Membership No. 210771

Place : Chennai

Date : 21.09.2020

For and on behalf of the Board of Directors

Sd/-

**K. Baskaran, IAS**

Managing Director

DIN No.03486955

Sd/-

**Harmander Singh, IAS**

Chairman

DIN No.03291250

**A.Jayaraman**

**Senior Vice President & Company Secretary**

# TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

Particulars	Note No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
		(₹)	
<b>I. Revenue from Operations</b>	15	9,74,03,478	8,90,62,990
<b>II. Other Income</b>	16	3,11,03,075	2,86,33,379
<b>III. Total Revenue (I+II)</b>		<b>12,85,06,553</b>	<b>11,76,96,369</b>
<b>IV. Expenses</b>			
Employee Benefits	17	4,43,54,100	4,46,94,232
Finance Cost		0	0
Depreciation and amortization Expenses	8	27,87,563	32,71,093
Other Expenses	18	1,39,48,166	1,23,78,662
<b>Total Expenses</b>		<b>6,10,89,829</b>	<b>6,03,43,987</b>
<b>V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)</b>		<b>6,74,16,724</b>	<b>5,73,52,382</b>
<b>VI. Exceptional Items</b>		0	0
<b>VII. Profit Before Extraordinary Items and Tax (V - VI)</b>		<b>6,74,16,724</b>	<b>5,73,52,382</b>
<b>VIII. Extraordinary Items</b>		0	0
<b>IX. Profit Before Tax (VII - VIII)</b>		<b>6,74,16,724</b>	<b>5,73,52,382</b>
<b>X. Tax Expense</b>			
1. Current Tax		1,88,09,000	1,63,40,000
2. Prior Years Tax		2,26,010	24,005
3. Deferred Tax		2,25,774	(13,26,754)
<b>XI. Profit for the year from continuing operations (IX - X)</b>		<b>4,81,55,940</b>	<b>4,23,15,131</b>
<b>XII. Earnings Per Share (Basic &amp; Diluted)</b>	19.6	<b>48.12</b>	<b>42.29</b>
<b>Notes including Significant Accounting Policies</b>	1 to 21		

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

In terms of our report of even date annexure

**For Ponraj & Co.**

Chartered Accountants

Firm Reg. No. 002672S

Sd/-

**CA. N. Raghuram**

Partner

Membership No. 210771

Place : Chennai

Date : 21.09.2020

For and on behalf of the Board of Directors

Sd/-

**K. Baskaran, IAS**

Managing Director

DIN No.03486955

Sd/-

**Harmander Singh, IAS**

Chairman

DIN No.03291250

**A.Jayaraman**

**Senior Vice President & Company Secretary**

# TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

	Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
		(₹)	
<b>A.</b>	<b>Cash flow From Operating Activities</b>		
	Profit before Tax	6,74,16,724	5,73,52,382
	Add: Depreciation	27,87,563	32,71,093
	Loss / (Profit) on sale of Fixed Assets	(1,226)	(2,43,641)
	Less: Interest Received	(3,07,83,030)	(2,83,55,097)
	<b>Operating Profit before Working Capital Changes</b>	<b>3,94,20,031</b>	<b>3,20,24,737</b>
	Adjustments for		
	Add: Increase in Current Liabilities and Decrease in Current Assets	8,19,321	44,86,116
	Less: Increase in Current Assets and Decrease in Current Liabilities	(4,07,41,712)	1,32,06,782
	<b>Cash Generated from Operations</b>	<b>(5,02,360)</b>	<b>4,97,17,635</b>
	Add : Income Tax Refund Received	37,20,760	0
	Less: Income Tax paid	(1,83,60,335)	(1,63,64,005)
	<b>Net Cash from Operating Activities (A)</b>	<b>(1,51,41,935)</b>	<b>3,33,53,630</b>
<b>B.</b>	<b>Cash flow from Investing Activities</b>		
	Interest Received	3,07,83,030	2,83,55,097
	Sale of Assets	6,019	2,68,305
	Purchase of Assets	(2,82,200)	(29,39,302)
	Less: Increase in Deposits and Loans & Advances	(65,05,000)	(6,67,64,071)
	<b>Net Cash From Investing Activities (B)</b>	<b>2,40,01,849</b>	<b>(4,10,79,971)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Dividend & Dividend Tax Paid	(36,19,191)	(36,19,191)
	<b>Net Cash from Financing Activities (c)</b>	<b>(36,19,191)</b>	<b>(36,19,191)</b>
<b>D.</b>	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>52,40,723</b>	<b>(1,13,45,532)</b>
	Cash and Cash equivalents at the beginning of the Accounting period	56,11,302	1,69,56,834
	<b>Cash and Cash equivalent at the end of the Accounting period</b>	<b>1,08,52,025</b>	<b>56,11,302</b>
	<b>Notes including Significant Accounting Policies 1 to 21</b>		

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

In terms of our report of even date annexure

**For Ponraj & Co.**

Chartered Accountants

Firm Reg. No. 002672S

Sd/-

**CA. N. Raghuram**

Partner

Membership No. 210771

Place : Chennai

Date : 21.09.2020

For and on behalf of the Board of Directors

Sd/-

**K. Baskaran, IAS**

Managing Director

DIN No.03486955

Sd/-

**Harmander Singh, IAS**

Chairman

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**A.Jayaraman**

**Senior Vice President & Company Secretary**

# **TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED**

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

## **Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2020**

### **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 management, resource mobilization, financial advisory, fund 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.

# **TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED**

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

## **Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2020**

### Defined Benefit Plans:

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

### Other Long-Term Employee Benefits:

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

### **(g) Impairment of Assets:**

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

### **(h) Taxes on Income:**

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

### **(i) Provisions, Contingent Liability & Contingent Assets:**

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

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

### **(j) Preliminary Expenses:**

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

# TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### Note 3: Share Capital

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	In ₹	No. of Shares	In ₹
<b>(a) Authorised</b> Equity shares of ₹ 10 each with voting rights	20,00,000	2,00,00,000	20,00,000	2,00,00,000
<b>(b) Issued, Subscribed and Fully paid-up</b> 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 01.04.2019	Fresh issue	Closing Balance 31.03.2020
<b>Equity shares with voting rights</b>			
Year ended 31 <sup>st</sup> March, 2020			
- 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 <sup>st</sup> March, 2019			
- Number of shares (Face Value of ₹ 10 each)	10,00,700	0	10,00,700
- Amount (₹)	1,00,07,000	0	1,00,07,000

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

Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Government of Tamil Nadu	490000	48.97%	490000	48.97%
ICICI Bank Ltd	189986	18.99%	189986	18.99%
IL&FS Financial Services Ltd	170014	16.99%	170014	16.99%
Housing Development Financial Corporation Ltd	150000	14.99%	150000	14.99%



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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	(₹)	
<b>Note 4: Reserves and Surplus</b>		
(a) General reserve		
Opening balance	4,05,83,667	3,63,51,667
Add: Transferred from surplus in Statement of Profit and Loss	48,16,000	42,32,000
<b>Closing balance (a)</b>	<b>4,53,99,667</b>	<b>4,05,83,667</b>
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	31,17,80,077	27,73,16,137
Add: Profit / (Loss) for the year	4,81,55,940	4,23,15,131
	35,99,36,017	31,96,31,268
Less:		
Dividends proposed to be distributed to Equity Shareholders (₹3 per share)	30,02,100	30,02,100
Tax on dividend	6,17,091	6,17,091
Transferred to General reserve	48,16,000	42,32,000
<b>Closing balance (b)</b>	<b>35,15,00,826</b>	<b>31,17,80,077</b>
<b>Total (a + b)</b>	<b>39,69,00,493</b>	<b>35,23,63,744</b>
<b>Note 5: Long Term Provisions</b>		
Provision for employee benefits:		
Provision for earned leave	1,23,81,705	1,17,92,737
Provision for gratuity	21,98,854	23,30,119
<b>Total</b>	<b>1,45,80,559</b>	<b>1,41,22,856</b>
<b>Note 6: Other Current Liabilities</b>		
Other payables		
(i) Statutory remittances	30,61,763	20,71,077
(ii) Contractually reimbursable expenses	59,55,052	65,84,120
(iii) Others	1,25,007	1,25,007
<b>Total</b>	<b>91,41,822</b>	<b>87,80,204</b>
<b>Note 7: Short-term Provisions</b>		
(a) Provision for employee benefits		
(i) Provision for earned leave	5,17,392	5,65,540
(ii) Others	0	0
(b) Provision - Others:		
(i) Provision for income tax (Net off payment)	0	0
(ii) Provision - others	0	0
<b>Total</b>	<b>5,17,392</b>	<b>5,65,540</b>

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### Note 8 (a) : Fixed Assets - Current financial year 2019-20

(in ₹)

Tangible Assets	Computer & Software's	Office Equipment	Furniture & Fixtures	Vehicles	Solar Energy System	Total
<b>Gross Block</b>						
Gross Block as at 01.04.2019	34,16,058	40,28,344	37,24,118	68,31,276	18,42,413	1,98,42,209
Additions during the year	2,76,000	0	6,200	0	0	2,82,200
Deductions during the year	4,79,258	0	0	0	0	4,79,258
<b>Gross Block as at 31.03.2020</b>	<b>32,12,800</b>	<b>40,28,344</b>	<b>37,30,318</b>	<b>68,31,276</b>	<b>18,42,413</b>	<b>1,96,45,151</b>
<b>Depreciation</b>						
Accumulated depreciation as at 01.04.2019	29,06,799	33,90,669	32,58,123	46,94,663	3,16,493	1,45,66,747
Depreciation for the year	4,84,020	3,80,138	1,66,767	9,38,897	8,17,741	27,87,563
Less: Depreciation on assets sold or written off during the year	4,74,465	0	0	0	0	4,74,465
<b>Accumulated depreciation as at 31.03.2020</b>	<b>29,16,354</b>	<b>37,70,807</b>	<b>34,24,890</b>	<b>56,33,560</b>	<b>11,34,234</b>	<b>1,68,79,845</b>
<b>Net Block</b>						
<b>Net block as at 31.03.2020</b>	<b>2,96,446</b>	<b>2,57,537</b>	<b>3,05,428</b>	<b>11,97,716</b>	<b>7,08,179</b>	<b>27,65,306</b>

### Note 8 (b) : Fixed Assets - Previous financial year 2018-19

(in ₹)

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

# TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	Unquoted	
	(₹)	
<b>Note 9: Non-current Investments</b>		
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 ₹ 20,000 (Previous year ₹ 40,000) each issued under the pooled finance development fund scheme of Government of India by Water and Sanitation Pooled Fund (319 numbers)	63,80,000	1,27,60,000
8.25% - 12-year Unsecured Redeemable Non- Convertible taxable pooled bonds of Rs.10,00,000/- each by Water and Sanitation Pooled Fund (50 numbers)	5,00,00,000	5,00,00,000
<b>Total</b>	<b>5,63,80,000</b>	<b>6,27,60,000</b>
<b>Note 10: Current Investments</b>		
Deposit with companies	29,75,95,664	28,47,10,664
<b>Total</b>	<b>29,75,95,664</b>	<b>28,47,10,664</b>
<b>Note 11: Trade Receivables</b>		
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	1,98,10,865	0
<b>Total</b>	<b>1,98,37,865</b>	<b>27,000</b>
<b>Note 12: Cash and Bank Balances</b>		
<b>A) Cash and Cash Equivalents</b>		
a) Cash on hand	0	0
b) Balance with Bank		
(i) Current Account	48,52,025	56,11,302
(ii) Cash Credit Account	0	0
(iii) Deposit with original maturity of less than 3 months	0	0
c) Cheques on hand		
<b>Total (a)</b>	<b>48,52,025</b>	<b>56,11,302</b>
<b>B) Other bank balances</b>		
a) Term deposit with original maturity for more than 3 months but less than 12 months	60,00,000	0
b) Unpaid dividend	0	0
c) Term Deposits held as margin money against bank guarantee and other commitments	0	0
<b>Total (b)</b>	<b>60,00,000</b>	<b>0</b>
<b>Total (a+b)</b>	<b>1,08,52,025</b>	<b>56,11,302</b>

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	(₹)	
<b>Note 13: Short-term Loans and Adva</b>		
(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	3,23,650	2,96,000
Travelling and other advances	63,850	4,600
(d) Prepaid expenses – 'Unsecured, considered good'	4,54,241	4,31,111
(e) Others - 'Unsecured, considered good'	10,000	10,492
<b>Total</b>	<b>8,68,491</b>	<b>7,58,953</b>
<b>Note 14: Other Current Assets</b>		
(a) Accruals		
(i) Interest accrued on deposits	3,26,72,973	1,19,51,196
(ii) Interest accrued on investments	38,72,573	41,40,008
(b) Others		
Advance tax and TDS (net of provisions)	9,71,382	50,47,998
<b>Total</b>	<b>3,75,16,928</b>	<b>2,11,39,202</b>

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Note 15: Revenue from Operations</b>		
<b>Sale of Services - Revenue from Operations</b>		
Appraisal fees	6,35,30,791	5,86,29,093
Supervision & recovery fees	3,32,63,908	3,02,55,020
Treasury Management Fees	1,32,805	1,03,877
Professional fees	4,75,974	75,000
GST collected	1,75,33,726	1,61,40,342
	<b>11,49,37,204</b>	<b>10,52,03,332</b>
Less: GST paid	1,75,33,726	1,61,40,342
<b>Total</b>	<b>9,74,03,478</b>	<b>8,90,62,990</b>

# TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
	(₹)	
<b>Note 16: Other Income</b>		
<b>(a) Interest Income</b>		
On Investments (Tax-free)	6,89,565	11,68,064
On Investments (Taxable)	41,25,000	41,25,000
On Term Deposits	2,59,68,465	2,30,62,033
<b>(b) Other non-operating income</b>		
Profit on sale of Fixed Assets	1,226	2,43,641
Miscellaneous Income	3,18,819	34,641
<b>Total</b>	<b>3,11,03,075</b>	<b>2,86,33,379</b>
<b>Note 17: Employee Benefits</b>		
Salaries and wages	3,77,47,320	3,69,73,628
Contributions to provident and other funds	65,58,600	76,35,280
Staff welfare expenses	48,180	85,324
<b>Total</b>	<b>4,43,54,100</b>	<b>4,46,94,232</b>
<b>Note 18: Other Expenses</b>		
Rent	32,50,350	30,95,550
Electricity	4,12,584	4,32,397
Repairs and maintenance - Others	2,84,787	2,37,513
Insurance	4,36,215	3,69,633
Rates and taxes	25,742	24,219
Communication	5,80,256	6,00,313
Travelling and conveyance	43,11,714	38,80,657
Printing and stationery	2,92,754	2,58,957
Legal and professional charges	1,60,600	1,11,833
Payments to auditors - Audit fees	80,000	80,000
- Tax audit fees	20,000	20,000
Office Expenses	20,47,993	19,25,837
Directors sitting fees	5,10,000	3,70,000
Security Charges	2,89,400	2,62,300
Miscellaneous expenses	2,41,395	3,33,455
CSR Expenses	10,04,376	3,75,998
<b>Total</b>	<b>1,39,48,166</b>	<b>1,23,78,662</b>

# TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### Note 19: Additional information to the financial statements

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	(₹)	
<b>19.1 Contingent liabilities and commitments (to the extent not provided for)</b>	0	0
<b>19.2 Amount due to MSME Units</b>	0	0

### Employee benefit plans

#### 19.3: Defined contribution plans

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

#### 19.4: Defined benefit plans

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

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

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

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>a. Changes in present value of obligations</b>		
Present Value of Obligations – opening balance	118.06	73.39
Interest Cost	8.99	5.87
Current Service Cost	15.00	7.68
Benefits paid	0	0
Actuarial (gain)/loss on obligations	5.87	31.12
Present Value of Obligations – closing balance	147.92	118.06
<b>b. Changes in fair value of plan assets</b>		
Fair Value of plan assets – opening balance	94.76	81.09
Expected return on plan assets	8.13	6.81
Contributions	23.82	8.08
Benefits Paid	0	0
Actuarial (gain)/loss on plan assets	(0.78)	(1.22)
Fair value of plan assets – closing balance	125.93	94.76



# TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### c. Reconciliation of present value of obligation and fair value of plan assets

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Present Value of Obligations as at the end of the year	147.92	118.06
Fair value of plan assets at the end of the year	125.93	94.76
Liability recognized in the Balance Sheet	21.99	23.30

### d. Principal Assumptions used in determining post-employment benefit

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Discount Rate	6.82	7.62%
Salary Escalation	11.00%	11.00%

### e. Investment details of plan assets

Gratuity liability as on 31.03.2020 is Rs.147.92 lakhs. Of which Rs.125.93 lakhs are lying in the Gratuity fund administered through Life Insurance Corporation of India under its Group Gratuity Scheme and the balance liability of Rs.21.99 lakhs is recognized in the books of accounts of the company.

### 19.6: Earnings Per Share

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	(₹)	
Profit After Tax	4,81,55,940	4,23,15,131
Number of Equity Shares	1000700	1000700
Earning Per Share		
Basic	48.12	42.29
Diluted	48.12	42.29

### 19.7: Deferred Tax

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	(₹)	
<b>Deferred tax arising out of -</b>		
(i) Depreciation	17,42,458	21,18,688
(ii) Employee Benefits	35,88,529	34,38,073
	<b>53,30,987</b>	<b>55,56,761</b>

# TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	(₹)	
<b>19.8 Expenditure in foreign currency</b>	0	65,824
<b>19.9 Earnings in foreign currency</b>	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 2020 (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 amounting to ₹ 30.02 lakhs has not been shown as an appropriation from statement of profit & loss as of March 31, 2020 and consequently not reported the same under Other Liabilities and Provisions as of March 31, 2020.

### 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.

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

In terms of our report of even date annexure

#### 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/-

**K. Baskaran, IAS**

Managing Director

DIN No.03486955

Sd/-

**Harmander Singh, IAS**

Chairman

DIN No.03291250

Sd/-

**A.Jayaraman**

**Senior Vice President & Company Secretary**

Place : Chennai

Date : 21.09.2020

# **WATER AND SANITATION POOLED FUND**

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

## **Activity Report for the financial year 2019-20**

### **1. Background**

Water and Sanitation Pooled Fund (WSPF), a Trust established by Government of Tamil Nadu in the year 2002 to mobilize resources from the capital market on pooled finance framework and to finance urban infrastructure projects. This Fund has been functioning on no-profit no-loss basis. This is the first entity in the country to mobilize resources on the pooled finance framework. WSPF is a Public Charitable Trust registered under the provisions of Section 12AA of the Income Tax Act, 1961.

### **2. Objectives of WSPF**

**The objectives of WSPF are:**

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

### **3. Management of WSPF**

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

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

The Board of Trustees of WSPF 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 mobilized 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	Rate of interest	9.20% Taxable	7.25% Tax-free	7.50% Tax-free	10.60% Taxable	8.71% Taxable	8.25% Taxable
3	Credit Rating	AAA(SO)	AA(SO)	AA(SO)	AA(SO)	AA(SO)	AA(SO)
4	Tenor	15 years	10 years	10 years	10 years	10 years	12 years
5	No. of beneficiary ULBs	13	7	7	10	10	5
6	BSF / CREF / Cash Collateral (Rs. in crs)	6.90	1.50	18.50	19.00		14.50
7	Month and Year of Mobilization	December 2002	April 2008	September 2010	August 2012	May 2013	May 2017
8	Bond Balance as on 31.03.2020 (Rs. in crs)	0	0	14.46	0	40.80	80.00

Of the above, the bond mobilized during the year 2002, 2008 and 2012 has been fully redeemed. Of the total bond mobilized of Rs.302.30 crores, a sum of Rs.167.04 crores has been redeemed and the outstanding bond balance as on 31<sup>st</sup> March 2020 is Rs.135.26 crores. All the bond service payments have been honored on the respective due date(s) during the financial year 2019-20.

##### 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<sup>st</sup> March 2020 is Rs. 2.80 crores (the balance as on 31<sup>st</sup> March 2019 is Rs.7.63 crores). The debt service of loans borrowed by WSPF is provided by Government of Tamil Nadu through budgetary allocation, every year. All the debit service payments have been honored on the respective due date(s) during the financial year 2019-20.

### **iii. 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 31<sup>st</sup> March 2020 is Rs.237.45 crores (the balance as on 31<sup>st</sup> March 2019 is Rs.254.13 crores). The debt service of loans borrowed by WSPF is provided by Government of Tamil Nadu through budgetary allocation, every year. All the debt service payments have been honored on the respective due date(s) during the financial year 2019-20.

### **iv. Subordinated Loan**

A sum of Rs.111.11 crores has been availed as on 31.03.2020 under KfW assisted SMIF-TN program through Government of Tamil Nadu.

### **5. Financial assistance to ULBs**

The net financial assistance provided to ULBs is Rs.484.21 crores (7 Municipal Corporations, 22 Municipalities and CMWSSB) as on 31.03.2020.

### **6. Accounts and Audit**

The Accounts for the financial year 2019-20 have been audited by M/s. N. Raja & Associates., Chartered Accountants, Chennai.



# N. RAJA & ASSOCIATES

CHARTERED ACCOUNTANTS

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

E-mail: nracas87@gmail.com

TEL: 28150485, 28155414

## INDEPENDENT AUDITORS' REPORT

### TO THE TRUSTEES OF WATER AND SANITATION POOLED FUND

#### Opinion

We have audited the financial statements of **Water and Sanitation Pooled Fund** (the entity), the trust managed by Government of Tamil Nadu, which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31<sup>st</sup> March 2020, and of its financial performance and its Receipts and Payment Account for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

#### Basis for Opinion

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

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

The Management (Fund Manager) is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For **N.Raja & Associates,**

Chartered Accountants

Firm No.003388S

Sd/-

**(N. Raja)**

Partner

Membership No.022890

UDIN : 20022890AAAAEG1717`

Place: Chennai  
Date: 21-09-2020

# WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

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

## BALANCE SHEET AS AT 31.03.2020

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
		(₹)	
<b>SOURCES OF FUNDS</b>			
1 <b>Capital Fund</b>			
a. Contribution by Settlor		10,000	10,000
2 <b>Other Funds</b>			
a. Government Grant Account	1	172,76,31,379	158,17,43,960
b. Loans Borrowed	2	4,86,61,86,265	573,58,81,504
3 <b>Current Liabilities</b>	3	19,02,89,234	22,17,32,992
<b>TOTAL</b>		<b>678,41,16,878</b>	<b>753,93,68,456</b>
<b>APPLICATION OF FUNDS</b>			
4 <b>Loans Disbursed</b>	4	484,21,29,725	532,82,99,139
5 <b>Current Assets</b>	5	194,19,87,153	221,10,69,317
<b>TOTAL</b>		<b>678,41,16,878</b>	<b>753,93,68,456</b>
Notes including Significant Accounting Policies	1 to 11		

The notes referred above form an integral part of the Financial Statements

In terms of our report of even date annexed.

**For N. Raja & Associates**

Chartered Accountants

Firm Reg. No.003388S

**For Water and Sanitation Pooled Fund**

Sd/-  
**N. Raja**  
Partner  
Membership No.022890

Sd/-  
**K. Baskaran, IAS**  
Member Secretary

Sd/-  
**Harmander Singh, IAS**  
Chairman

Place : Chennai  
Date : 21.09.2020

# WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

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

## INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2020

Particulars	Note No.	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
		(₹)	
<b>INCOME</b>			
1 Interest on Loans Disbursed	<b>6</b>	44,07,99,209	47,58,33,755
2 Other Income	<b>7</b>	1,12,54,109	1,22,39,601
<b>TOTAL</b>		<b>45,20,53,318</b>	<b>48,80,73,356</b>
<b>EXPENDITURE</b>			
3 Interest on Loans Borrowed	<b>8</b>	44,07,99,209	47,58,33,755
4 Other Expenses	<b>9</b>	1,12,54,109	1,22,39,601
<b>TOTAL</b>		<b>45,20,53,318</b>	<b>48,80,73,356</b>
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 <b>1 to 11</b>			

The notes referred above form an integral part of the Financial Statements  
In terms of our report of even date annexed.

### For N. Raja & Associates

Chartered Accountants  
Firm Reg. No.003388S

### For Water and Sanitation Pooled Fund

Sd/-  
**N. Raja**  
Partner  
Membership No.022890

Sd/-  
**K. Baskaran, IAS**  
Member Secretary

Sd/-  
**Harmander Singh, IAS**  
Chairman

Place : Chennai  
Date : 21.09.2020

# WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

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

## RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2020

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
	(₹)	
<b>Opening balances:</b>		
- Cash on hand	0	0
- Balance in Savings Bank Accounts with Banks	2,11,71,213	13,66,01,408
- Balance in Public Deposit Accounts with Banks	7,26,03,500	7,26,03,500
- Balance in Term Deposit Accounts with Banks	125,32,86,700	106,11,30,036
<b>Total (A)</b>	<b>134,70,61,413</b>	<b>127,03,34,944</b>
<b>Receipts:</b>		
Loan Installments Received - Principal	27,10,54,175	24,38,08,842
Loan Installments Received - Interest	15,53,81,453	17,70,41,871
Grant from Government of Tamil Nadu	32,65,47,730	44,20,08,773
Interest on deposits	13,47,33,799	11,01,72,697
Income Tax Refund received	17,970	0
<b>Total (B)</b>	<b>88,77,35,127</b>	<b>97,30,32,183</b>
<b>Total (A) +(B)</b>	<b>223,47,96,540</b>	<b>224,33,67,127</b>
<b>Payments:</b>		
Redemption of Bonds	62,45,80,000	22,99,80,000
Interest on Bonds	17,53,56,000	19,79,83,000
Repayment of HUDCO Loan	16,68,00,000	16,68,00,000
Interest on HUDCO Loan	26,58,67,330	27,52,08,773
Interest on Subordinated Loan (SMIF TN Program)	77,89,132	77,89,132
Deposit Placed with Financial Institutions	74,75,831	63,48,180
Other Expenses	1,13,00,081	1,21,96,629
<b>Total (C)</b>	<b>125,91,68,374</b>	<b>89,63,05,714</b>

# WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

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

## RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2020

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
	(₹)	
<b>Closing balances: Cash &amp; Cash Equivalents</b>		
-Cash on hand	0	0
-Balance in Savings Bank Accounts with Banks	65,95,162	2,11,71,213
-Balance in Public Deposit Accounts with Banks	7,26,03,500	7,26,03,500
-Balance in Term Deposit Accounts with Banks	89,64,29,504	125,32,86,700
<b>Total (D ) (A+B-C)</b>	<b>97,56,28,166</b>	<b>134,70,61,413</b>

In terms of our report of even date annexed.

### For N. Raja & Associates

Chartered Accountants

Firm Reg. No.003388S

Sd/-

**N. Raja**

Partner

Membership No.022890

### For Water and Sanitation Pooled Fund

Sd/-

**K. Baskaran, IAS**

Member Secretary

Sd/-

**Harmander Singh, IAS**

Chairman

Place : Chennai

Date : 21.09.2020



# WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

Particulars	As at 31.03.2020	As at 31.03.2019
	(₹)	
<b>Note 1: Government Grant Account</b>		
Government of Tamil Nadu Grant Account	68,61,93,164	61,23,59,289
Cash Collateral for bond issues	56,12,73,335	52,93,50,093
Credit Rating Enhancement Fund	48,01,64,880	44,00,34,578
<b>Total</b>	<b>172,76,31,379</b>	<b>158,17,43,960</b>
<b>Note 2: Loans Borrowed</b>		
7.50% 10 year Tax Free Pooled Finance Development Bonds	14,45,80,000	28,91,60,000
10.60% 10 year Taxable Pooled Bonds	0	40,80,00,000
8.71% 10 year Taxable Pooled Bonds (Guranteed by Government of Tamil Nadu)	40,80,00,000	51,00,00,000
8.25% 12 year Taxable Pooled Bonds (Guranteed by Government of Tamil Nadu)	80,00,00,000	80,00,00,000
Subordinated Loan (SMIF TN Program)	111,11,54,435	111,11,54,435
Loan from HUDCO (Guranteed by Government of Tamil Nadu)	237,45,00,000	254,13,00,000
NRCP / NLCP Loan	2,79,51,830	7,62,67,069
<b>Total</b>	<b>486,61,86,265</b>	<b>573,58,81,504</b>
<b>Note 3: Current Liabilities</b>		
Interest payable on bonds	9,56,77,108	13,68,51,657
Interest payable on HUDCO loan	2,15,78,675	2,30,94,499
Interest payable on Subordinated Loan	84,66,290	55,62,150
Interest payable on NRCP / NLCP Loan	5,84,438	15,01,986
Other Liabilities	6,00,32,400	3,00,78,372
Received in advance from ULBs	39,50,323	2,46,44,328
<b>Total</b>	<b>19,02,89,234</b>	<b>22,17,32,992</b>
<b>Note 4: Loans Disbursed</b>		
Loans Disbursed to ULBs	481,41,77,895	525,20,32,070
Other Loans	2,79,51,830	7,62,67,069
<b>Total</b>	<b>484,21,29,725</b>	<b>532,82,99,139</b>

# WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

Particulars	As at 31.03.2020	As at 31.03.2019
	(₹)	
<b>Note 5: Current Assets</b>		
<b>a) Cash &amp; Cash Equivalents:</b>		
Balances with Scheduled Banks		
- in Savings Bank Accounts	65,95,162	2,11,71,213
- in Public Deposit Accounts	7,26,03,500	7,26,03,500
- in Term Deposit Accounts	89,64,29,504	125,32,86,700
<b>b) Current Investments</b>		
- Term Deposits with Financial Institutions	71,51,52,190	70,76,76,359
<b>c) Other Current Assets</b>		
- Interest Accrued on Deposits	7,95,79,190	8,65,60,102
- Interest Accrued on Loans Disbursed to ULBs	3,34,37,292	3,81,55,446
- Interest Accrued on Public Deposit	84,66,290	55,62,150
- Interest Accrued on Other Loans	5,84,438	15,01,986
- Amount receivable from Government	12,76,98,275	2,30,94,499
- Tax Deducted at source	14,41,312	14,57,362
<b>Total</b>	<b>194,19,87,153</b>	<b>221,10,69,317</b>
<b>Note 6: Interest earned on Loans Disbursed</b>		
Interest earned on Loans to ULBs	43,57,08,810	46,29,70,548
Interest earned on Other Loans	50,90,399	1,28,63,207
<b>Total</b>	<b>44,07,99,209</b>	<b>47,58,33,755</b>
<b>Note 7: Other Income</b>		
Other Income	1,12,54,109	1,22,39,601
<b>Total</b>	<b>1,12,54,109</b>	<b>1,22,39,601</b>
<b>Note 8: Interest on Loans Borrowed</b>		
Interest on bonds issued	13,41,81,451	18,41,59,275
Interest on Subordinated Loan (SMIF TN Program)	77,89,132	77,89,132
Interest on other Loans Borrowed	29,88,28,626	28,38,85,348
<b>Total</b>	<b>44,07,99,209</b>	<b>47,58,33,755</b>
<b>Note 9: Other Expenses</b>		
Management Fee	45,58,111	50,11,395
Government Guarantee Fee	60,40,000	65,50,000
Other operating expenses	6,55,998	6,78,206
<b>Total</b>	<b>1,12,54,109</b>	<b>1,22,39,601</b>

# **WATER AND SANITATION POOLED FUND**

(Trust of Government of Tamil Nadu)

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020**

## **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 (MAII) 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)

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

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020**

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

### **b. GoTN Grant Account**

The objective of the Trust is to mobilize funds and pass them on to ULB's for creation of infrastructure facilities, without any profit motive. Hence the Government ordered that all grants and amounts received from the GoTN, all grants and amounts disbursed as ordered by the GoTN and interest earned on deposits / investments made from the fund shall be accounted under the head GoTN Grant Account in the books of the Trust. Expenses are met out of Grants.

### **c. Cash Collateral for bond issue and Credit Rating Enhancement Fund (CREF)**

The amount received from Government of Tamil Nadu as grant towards Cash Collateral for the taxable bond issues along with the interest earned on Cash Collateral deposit has been accounted as Cash Collateral for bond issues under the head Government Grant Account. The 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 Scheme of Government of India along with the interest earned on CREF deposit has been accounted as CREF under the head Government Grant Account.

# **WATER AND SANITATION POOLED FUND**

(Trust of Government of Tamil Nadu)

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020**

## **d. Issue of Bonds**

A sum of Rs.302.30 crores has been mobilized by issue of Taxable and Tax-free Non-Convertible Redeemable Pooled Bonds, of which a sum of Rs.167.04 crores (of which Rs.65.46 crores during the period April to March 2020) has been redeemed. The principal bond balance as on 31.03.2020 is Rs.135.26 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.

In terms of our report of even date annexed.

## **For N. Raja & Associates**

Chartered Accountants  
Firm Reg. No.003388S

## **For Water and Sanitation Pooled Fund**

Sd/-  
**N. Raja**  
Partner  
Membership No.022890

Sd/-  
**K. Baskaran, IAS**  
Member Secretary

Sd/-  
**Harmander Singh, IAS**  
Chairman

Place : Chennai  
Date : 21.09.2020



# **PROJECT SUSTAINABILITY GRANT FUND**

## **Report on the Activities and Annual Accounts of Project Sustainability Grant Fund for the FY 2019-20**

### **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 transfer of available funds from Grant Fund-I under TNUDP III, KfW Grant Fund –I under SMIF-TN Program, SMIF-TN-II-1 Program, SMIF-TN-II-2, JBIC Grant Fund-I under TNUIP to the PSGF.
- iv. 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.
- v. 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 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:

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

## 7. Procurement

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

## 8. Performance

A sum of ₹ 425.00 crores has been received from Government and a sum of ₹ 302.35 crores has been disbursed to various ULBs during the financial year 2019-20. The details are furnished below:-

(₹) in Crores

Details	Financial Year 2019-20	Financial Year 2018-19
<b>Balance of Fund as on 1<sup>st</sup> April</b>	<b>438.90</b>	<b>332.08</b>
Add: Grant received from GoTN	425.00	443.43
Add: Excess of Income over Expenditure	4.33	3.00
<b>TOTAL</b>	<b>868.23</b>	<b>778.51</b>
Less: Grant Disbursements	302.35	339.61
<b>Balance of Fund as on 31<sup>st</sup> March</b>	<b>565.88</b>	<b>438.90</b>

## 9. Accounts and Audit

The Annual Accounts for the financial year 2019-20 have been audited by M/s. P.M.M. Associates, Chartered Accountants, Chennai.

**INDEPENDENT AUDITORS' REPORT**

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

**Opinion**

We have audited the financial statements of **Project Sustainability Grant Fund** (the entity), the Grand Fund of Government Tamil Nadu which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, and the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31<sup>st</sup> March 2020, and of its financial performance and its Receipts and Payments Account for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

**Basis for Opinion**

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

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

The Management (Fund Manager) is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

# P. M. M. ASSOCIATES

CHARTERED ACCOUNTANTS

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In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Chartered Accountants

Firm No.002494S

Sd/-

**(N. Ramaraj)**

Partner

Place : Chennai

Date : 21-09-2020

Membership No. 022683

UDIN:20022683AAAAAJ3036

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No. 9, State Bank Colony Extension, S2 Sailakshmi Flats, Opp. J.K.Mahal, Nanganallur, Chennai- 600 061

Ph No : 044-22243472, Mobile : 9385661152 & 9841014549 email : aramaraj11@hotmail.com



# PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

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

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2020

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
		(₹)	
<b>Sources of Funds</b>			
Grant from Government	1	565,87,64,210	438,89,40,543
Current Liabilities	2	59,400	3,11,068
<b>Total</b>		<b>565,88,23,610</b>	<b>438,92,51,611</b>
<b>Application of Funds</b>			
Current Assets	3		
a. Cash and Cash Equivalents		503,44,90,829	389,70,20,591
b. Term Deposit with Companies		59,89,66,400	42,99,28,528
c. Other Current Assets		2,53,66,381	6,23,02,492
<b>Total</b>		<b>565,88,23,610</b>	<b>438,92,51,611</b>
Notes including Significant Accounting Policies - Note 1 to 7			

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

In terms of our report of even date annexed

### For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

For and on behalf of the Board of Directors

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Sd/-

**K. Baskaran, IAS**

Managing Director

Sd/-

**Harmander Singh, IAS**

Chairman

Place: Chennai

Date: 21.09.2020

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

# PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

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

## INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	(₹)	
<b>Income</b>		
Interest earned		
On Savings Bank Account	31,91,212	30,81,452
On Deposit Accounts	7,52,32,145	5,69,07,072
<b>Total</b>	<b>7,84,23,357</b>	<b>5,99,88,524</b>
<b>Expenditure</b>		
Management Fee & Other Charges	3,50,34,790	2,99,29,910
Audit Fee – Statutory Audit	64,900	64,900
<b>Total</b>	<b>3,50,99,690</b>	<b>2,99,94,810</b>
Excess of Income over Expenditure transferred to Grant from Government	<b>4,33,23,667</b>	<b>2,99,93,714</b>
Notes including Significant Accounting Policies - Note 1 to 7		

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

In terms of our report of even date annexed

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

Chartered Accountants

Firm Reg. No: 002494S

**For and on behalf of the Board of Directors**

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Sd/-

**K. Baskaran, IAS**

Managing Director

Sd/-

**Harmander Singh, IAS**

Chairman

Place: Chennai

Date: 21.09.2020

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

# PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

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

## RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2020

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	(₹)	
<b>Receipts</b>		
Grant from Government	425,00,00,000	443,43,00,000
Interest Receipts	8,54,12,966	6,87,11,218
Term Deposit with Companies	0	15,70,95,472
Other Receipts from TNUDF	40,27,030	3,05,80,873
Other Receipts from WSPF	2,59,19,472	0
<b>Total</b>	<b>436,53,59,468</b>	<b>469,06,87,563</b>
<b>Payments</b>		
Grant Disbursements to Urban Local Bodies	302,35,00,000	339,61,33,000
Other Payments to WSPF	0	1,11,76,782
Term Deposit with Companies	16,90,37,872	0
Management Fee & Other Charges	3,50,34,790	2,96,78,242
Audit Fees	59,400	59,400
TDS on Audit Fees	5,500	5,500
TDS Under GST	2,51,668	0
<b>Total</b>	<b>322,78,89,230</b>	<b>343,70,52,924</b>
Surplus / (Deficit) for the period	113,74,70,238	125,36,34,639
Add: Opening Cash and Bank Balances	389,70,20,591	264,33,85,952
<b>Closing Cash &amp; Bank Balances</b>	<b>503,44,90,829</b>	<b>389,70,20,591</b>

In terms of our report of even date annexed

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

Chartered Accountants

Firm Reg. No: 002494S

**For and on behalf of the Board of Directors**

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Place: Chennai

Date: 21.09.2020

Sd/-

**K. Baskaran, IAS**

Managing Director

Sd/-

**Harmander Singh, IAS**

Chairman

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

# PROJECT SUSTAINABILITY GRANT FUND

(Grant Fund of Government of Tamil Nadu)

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
	(₹)	
<b>Note-1 : Grant from Government</b>		
Balance at the beginning of the year	438,89,40,543	332,07,79,829
Add: Grant assistance received during the year	425,00,00,000	443,43,00,000
Excess of Income over Expenditure carried from Income & Expenditure Account	4,33,23,667	2,99,93,714
	<b>868,22,64,210</b>	<b>778,50,73,543</b>
Less: Disbursements to ULBs during the year	302,35,00,000	339,61,33,000
<b>Total</b>	<b>565,87,64,210</b>	<b>438,89,40,543</b>
<b>Note-2 : Current Liabilities</b>		
Audit Fee payable	59,400	59,400
TDS payable under GST	0	2,51,668
<b>Total</b>	<b>59,400</b>	<b>3,11,068</b>
<b>Note-3 : Current Assets</b>		
<b>a. Cash and Cash Equivalents</b>		
i. in Savings Bank Account with Banks	33,78,43,879	22,72,641
ii. in Deposit Account with Banks	18,50,00,000	81,50,01,000
iii. in Public Deposit Account with Banks	451,16,46,950	307,97,46,950
	<b>503,44,90,829</b>	<b>389,70,20,591</b>
<b>b. Term Deposit with Companies</b>	59,89,66,400	42,99,28,528
	<b>59,89,66,400</b>	<b>42,99,28,528</b>
<b>c. Other Current Assets</b>		
i. Accrued Interest on Deposits	1,88,66,381	2,58,55,990
ii. Receivable from TNUDF	15,61,779	55,88,809
iii. Receivable from WSPF	49,38,221	3,08,57,693
	<b>2,53,66,381</b>	<b>6,23,02,492</b>
<b>Total</b>	<b>565,88,23,610</b>	<b>438,92,51,611</b>

# PROJECT SUSTAINABILITY GRANT FUND

## (Grant Fund of Government of Tamil Nadu)

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

### 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 (PSGF) is managed by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL). As per G.O.(Ms) No.171 Municipal Administration and Water Supply (MA2) Department dated 28-11-2016 the payment of Management fee to TNUIFSL on grant disbursement from PSGF is as follows:

Sl. No.	Details	On disbursement of grant
A	Grant assistance up to Rs.50 crs per project	1.00% of grant disbursement
B	Grant assistance above Rs.50 crs per project	A+0.50% of grant disbursement above Rs.50 crs (subject to the maximum fee of Rs.125 lakhs per project)

#### d. Transfer of surplus

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



# **PROJECT SUSTAINABILITY GRANT FUND**

## **(Grant Fund of Government of Tamil Nadu)**

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020**

### **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.

### **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: Operation of Externally Aided Projects**

The PSGF is providing capital grant to support implementation of urban infrastructure projects under various externally aided projects. The accounts and records are maintained separately for each of the externally aided project in PSGF. The details are furnished below:-

# PROJECT SUSTAINABILITY GRANT FUND

## (Grant Fund of Government of Tamil Nadu)

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020**

(₹ in Crores)

S.No.	Source of Funds	FY 2019-20	
		Grant Received	Grant Disbursed
<b>I.</b>	<b>IBRD Line of Credit</b>		
1.	Tamil Nadu Urban Development Project III	0	1.34
2.	TamilNadu Sustainable Urban Development Project	125.00	103.35
<b>II.</b>	<b>KFW Line of Credit</b>		
1.	Sustainable Municipal Infrastructure Financing in Tamil Nadu - Phase-II-Part-1	0	27.79
2.	Sustainable Municipal Infrastructure Financing in Tamil Nadu - Phase-II-Part-2	50.00	59.73
<b>III.</b>	<b>JICA Line of Credit</b>		
1.	Tamil Nadu Urban Infrastructure Project	0	0.14
<b>IV</b>	<b>ADB Line of Credit</b>		
1.	Tamil Nadu Urban Flagship Investment Program-Tranche-1	250.00	110.00
	<b>Total (I+II+III+IV)</b>	<b>425.00</b>	<b>302.35</b>

**Note-7:** Previous year's figures have been regrouped / reclassified wherever necessary.

In terms of our report of even date annexed

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

Chartered Accountants

Firm Reg. No: 002494S

**For and on behalf of the Board of Directors**

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Place: Chennai

Date: 21.09.2020

Sd/-

**K. Baskaran, IAS**

Managing Director

Sd/-

**Harmander Singh, IAS**

Chairman

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

# **PROJECT DEVELOPMENT GRANT FUND**

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

## **Report on the Activities and Annual Accounts of Project development Grant Fund for the Financial Year 2019-20**

### **1. Introduction**

The Project Development Grant Fund (PDGF) is a non-lapsable fund created by Government of Tamil Nadu to provide technical assistance to support Urban Local Bodies (ULBs) and other institutions owned by Government for providing various consultancy services 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 Development Grant Fund with effect from 01.04.2015.

### **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

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

## 7. Procurement

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

## 8. Performance

A sum of ₹ 7.00 crores has been received from Government and a sum of ₹11.03 crores has been disbursed to various consultancy assignments during the financial year 2019-20. The details are furnished below:

(₹) in Crores

Details	Financial Year 2019-20	Financial Year 2018-19
<b>Balance of Fund as on 1<sup>st</sup> April</b>	<b>97.09</b>	<b>100.58</b>
Add: Grant received from GoTN	7.00	8.00
Add: Excess of Income over Expenditure	6.60	6.79
<b>TOTAL</b>	<b>110.69</b>	<b>115.37</b>
Less: Grant Disbursements (net)	11.93	18.28
<b>Balance of Fund as on 31<sup>st</sup> March</b>	<b>98.76</b>	<b>97.09</b>

## 9. Accounts and Audit

The Annual Accounts for the financial year 2019-20 have been audited by M/s.P.M.M.Associates, Chartered Accountants, Chennai.

**INDEPENDENT AUDITORS' REPORT**

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

**Opinion**

We have audited the financial statements of **Project Development Grant Fund** (the entity), the Grant Fund of Government of Tamil Nadu, which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31<sup>st</sup> March 2020, and of its financial performance and its Receipts and Payments Account for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

**Basis for Opinion**

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

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

The Management (Fund Manager) is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



# P. M. M. ASSOCIATES

CHARTERED ACCOUNTANTS

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In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Chartered Accountants

Firm No.002494S

Sd/-

**(N. Ramaraj)**

Partner

Place: Chennai

Date: 21-09-2020

Membership No. 022683

UDIN:20022683AAAAAK4216

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No. 9, State Bank Colony Extension, S2 Sailakshmi Flats, Opp. J.K.Mahal, Nanganallur, Chennai- 600 061

Ph No : 044-22243472, Mobile : 9385661152 & 9841014549 email : aramaraj11@hotmail.com

# PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

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

## BALANCE SHEET AS AT 31.03.2020

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
		(₹)	
<b>Sources of Funds</b>			
Grant from Government	1	98,76,03,934	97,09,49,412
Current Liabilities	2	14,29,400	19,06,711
<b>Total</b>		<b>98,90,33,334</b>	<b>97,28,56,123</b>
<b>Application of Funds</b>			
Current Assets	3		
a. Cash and Cash Equivalents		40,32,63,932	21,51,76,086
b. Current Investments		54,62,51,217	73,08,70,390
c. Other Current Assets		3,95,18,185	2,68,09,647
<b>Total</b>		<b>98,90,33,334</b>	<b>97,28,56,123</b>
Notes including Significant Accounting Policies - Note 1 to 7			

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

In terms of our report of even date annexed.

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

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Sd/-

**K. Baskaran, 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 : 21.09.2020

# PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

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

## INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2020

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	(₹)	
<b>Income</b>		
Interest earned		
On Savings Bank Account	3,78,281	4,38,713
On Deposit Accounts	6,71,16,375	6,96,83,566
<b>Total</b>	<b>6,74,94,656</b>	<b>7,01,22,279</b>
<b>Expenditure</b>		
Management Fee & Other Charges	14,29,639	21,57,303
Audit Fee – Statutory Audit	64,900	64,900
<b>Total</b>	<b>14,94,539</b>	<b>22,22,203</b>
Excess of Income over Expenditure transferred to Grant from Government	<b>6,60,00,117</b>	<b>6,79,00,076</b>
Notes including Significant Accounting Policies - 1 to 7		

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

In terms of our report of even date annexed.

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

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Sd/-

**K. Baskaran, 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 : 21.09.2020

# PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

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

## RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2020

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	( ₹ )	
<b>Receipts</b>		
Grant from Government	7,00,00,000	8,00,00,000
Interest Receipts	5,47,86,118	9,73,40,170
Earnest Money Deposit	0	3,30,000
Term Deposit with Companies	18,46,19,173	0
<b>Total</b>	<b>30,94,05,291</b>	<b>17,76,70,170</b>
<b>Payments</b>		
Grant Disbursements	11,93,45,595	18,28,22,192
Management Fee & Other Charges	14,29,639	18,19,992
Audit Fees	59,400	59,400
Earnest Money Deposit	1,40,000	0
TDS on Audit Fees	5,500	5,500
TDS Under GST	3,37,311	0
Term Deposit with Companies	0	14,60,20,475
<b>Total</b>	<b>12,13,17,445</b>	<b>33,07,27,559</b>
Surplus / (Deficit) for the period	18,80,87,846	(15,30,57,389)
Add: Opening Cash and Bank Balances	21,51,76,086	36,82,33,475
<b>Closing Cash &amp; Bank Balances</b>	<b>40,32,63,932</b>	<b>21,51,76,086</b>

In terms of our report of even date annexed.

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

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Sd/-

**K. Baskaran, 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 : 21.09.2020

# PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
	(₹)	(₹)
<b>Note-1</b>		
<b>Grant from Government</b>		
Balance at the beginning of the year	97,09,49,412	100,58,71,528
Add: Grant assistance received during the year	7,00,00,000	8,00,00,000
Excess of Income over Expenditure carried from Income & Expenditure Account	6,60,00,117	6,79,00,076
	<b>110,69,49,529</b>	<b>115,37,71,604</b>
Less: Grant Disbursements made during the year	11,93,45,595	18,28,22,192
<b>Total</b>	<b>98,76,03,934</b>	<b>97,09,49,412</b>
<b>Note-2</b>		
<b>Current Liabilities</b>		
Audit Fee payable	59,400	59,400
Other Liabilities	13,70,000	15,10,000
TDS payable under GST	0	3,37,311
<b>Total</b>	<b>14,29,400</b>	<b>19,06,711</b>
<b>Note-3</b>		
<b>Current Assets</b>		
<b>a.Cash and Cash Equivalents</b>		
i. In Savings Account	3,16,93,507	41,05,661
ii. In Deposit Account	23,70,00,000	8,10,00,000
iii. In Public Deposit Account with Banks	13,45,70,425	13,00,70,425
	<b>40,32,63,932</b>	<b>21,51,76,086</b>
<b>b.Current Investments</b>		
i. Term Deposit with Companies	54,62,51,217	73,08,70,390
	<b>54,62,51,217</b>	<b>73,08,70,390</b>
<b>c.Other Current Assets</b>		
i. Accrued interest on Deposits	3,95,18,185	2,68,09,647
	<b>3,95,18,185</b>	<b>2,68,09,647</b>
<b>Total</b>	<b>98,90,33,334</b>	<b>97,28,56,123</b>

# **PROJECT DEVELOPMENT GRANT FUND**

(Grant Fund of Government of Tamil Nadu)

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020**

## **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 (PDGF) 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 of Grant from PDGF.

### **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.

## **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, upgradation 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.



# PROJECT DEVELOPMENT GRANT FUND

(Grant Fund of Government of Tamil Nadu)

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

## Note- 6: Operation of PDGF

The PDGF is providing technical grant for various consultancy assignments under various externally aided projects and Government of Tamil Nadu funds. The accounts and records are being maintained separately for each of the externally aided projects/ GoTN funds in PDGF. The details are furnished below: -

(₹ in Crores)

S.No.	Source of Funds	FY 2019-20	
		Grant Received	Grant Disbursed
<b>I.</b>	<b>IBRD Line of Credit</b>		
1.	TamilNadu Sustainable Urban Development Project	5.00	3.26
<b>II.</b>	<b>KFW Line of Credit</b>		
1.	Sustainable Municipal Infrastructure Financing in Tamil Nadu - Phase-II-Part-2	0.00	0.19
<b>III.</b>	<b>ADB Line of Credit</b>		
1.	Tamil Nadu Urban Flagship Investment Program-Tranche-1	2.00	4.06
<b>IV</b>	<b>GoTN Fund</b>	0.00	4.42
	<b>Total (I+II+III+IV)</b>	<b>7.00</b>	<b>11.93</b>

**Note-7:** Previous year's figures have been regrouped / reclassified wherever necessary.

In terms of our report of even date annexed

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

Chartered Accountants

Firm Reg. No: 002494S

**For and on behalf of the Board of Directors**

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Place: Chennai

Date: 21.09.2020

Sd/-

**K. Baskaran, IAS**

Managing Director

Sd/-

**Harmander Singh, IAS**

Chairman

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

# **TAMILNADU URBAN ROAD INFRASTRUCTURE FUND (TURIF)**

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

## **Report on the Activities and Annual Accounts of Tamil Nadu Urban Road Infrastructure Fund for the Financial Year 2019-20**

### **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-3) 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. It is a Government fund and the corpus for the fund will be provided by Government of Tamil Nadu.

### **2. Objective of the project**

The objective of TURIF is to fund projects to improve / renovate / relay roads and related infrastructure in the Municipal Corporation, Municipalities and Town Panchayats of Tamil Nadu.

### **3. Fund Management**

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

### **4. Fund size, sources and allocation**

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

## **5. Eligibility Criteria**

### **5.1 Eligible Projects**

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

### **5.2 Eligible Grant Applicants**

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

## **6. Procedure for application, approval and disbursement of grant**

Application from the ULBs for financial assistance along with the detailed estimate of the project and other relevant documents shall be scrutinized by the Commissioner of Municipal Administration / Director of Town Panchayats and placed it 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 and utilization certificates for the grant already disbursed to ULBs.

## **7. Procurement procedures**

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

## **8. Performance**

During the financial year 2019-2020, a sum of Rs.409.82 crores (previous year Rs.428.83 crores) has been released by Government to TURIF. A sum of Rs.399.53 crores (previous year Rs.385.30 crores) has been disbursed to ULBs as grant from TURIF

## **9. Accounts and Audit**

The Annual Accounts for the financial year 2019-2020 have been audited by M/s. P.M.M Associates, Chartered Accountants, Chennai – 600 061.

# P. M. M. ASSOCIATES

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

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

### Opinion

We have audited the financial statements of TAMILNADU URBAN ROAD INFRASTRUCTURE Fund (the entity), the Grand Fund of Government of Tamil Nadu, which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31<sup>st</sup> March 2020, and of its financial performance and its the Receipts and Payments Account for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

### Basis for Opinion

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

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

The Management (Fund Manager) is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

# P. M. M. ASSOCIATES

CHARTERED ACCOUNTANTS

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In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Chartered Accountants

Firm No.002494S

Sd/-

**(N. Ramaraj)**

Partner

Place: Chennai

Date: 21-09-2020

Membership No. 022683

UDIN:20022683AAAAAM4818

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No. 9, State Bank Colony Extension, S2 Sailakshmi Flats, Opp. J.K.Mahal, Nanganallur, Chennai- 600 061

Ph No : 044-22243472, Mobile : 9385661152 & 9841014549 email : aramaraj11@hotmail.com

# TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND

(Grant Fund of Government of Tamil Nadu)

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

## BALANCE SHEET AS AT 31.03.2020

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
		(₹)	
<b>Sources of Funds</b>			
Grant from Government	1	327,36,70,456	295,20,51,183
Current Liabilities	2	23,600	25,540
<b>Total</b>		<b>327,36,94,056</b>	<b>295,20,76,723</b>
<b>Application of Funds</b>			
Current Assets			
a. Cash and Cash Equivalents	3	165,80,08,000	184,85,34,283
b. Term Deposit with Companies		153,32,97,743	106,27,76,433
c. Other Current Assets		8,23,88,313	407,66,007
<b>Total</b>		<b>327,36,94,056</b>	<b>295,20,76,723</b>
Notes including Significant Accounting Policies - Note 1 to 6			

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

In terms of our report of even date annexed

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

Chartered Accountants

Firm Reg. No: 002494S

**For and behalf of the Board of Directors**

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Sd/-

**K. Baskaran, IAS**

Managing Director

Sd/-

**Harmander Singh, IAS**

Chairman

Place : Chennai

Date : 21.09.2020

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



# TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND

(Grant Fund of Government of Tamil Nadu)

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

## INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2020

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	(₹)	
<b>Income</b>		
Interest earned		
On Savings Bank Account	98,55,991	69,25,757
On Deposit Accounts	20,93,81,674	18,37,00,272
<b>Total</b>	<b>21,92,37,665</b>	<b>19,06,26,029</b>
<b>Expenditure</b>		
Management Fee	4,71,454	4,54,649
Audit Fee – Statutory Audit	23,600	23,600
<b>Total</b>	<b>4,95,054</b>	<b>4,78,249</b>
Excess of Income over Expenditure transferred to Grant from Government	<b>21,87,42,611</b>	<b>19,01,47,780</b>
Notes including Significant Accounting Policies - 1 to 6		

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

In terms of our report of even date annexed

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

Chartered Accountants

Firm Reg. No: 002494S

**For and behalf of the Board of Directors**

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Sd/-

**K. Baskaran, IAS**

Managing Director

Sd/-

**Harmander Singh, IAS**

Chairman

Place : Chennai

Date : 21.09.2020

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

# TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND

(Grant Fund of Government of Tamil Nadu)

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

## RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2020

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	(₹)	
<b>Receipts</b>		
Grant from Government	409,82,20,662	428,82,46,962
Interest Receipts	17,76,15,359	25,94,00,986
<b>Total</b>	<b>427,58,36,021</b>	<b>454,76,47,948</b>
<b>Payments</b>		
Disbursements to Urban Local Bodies	399,53,44,000	385,29,52,000
Management Fee	4,73,394	4,52,709
Audit Fees	23,600	23,600
Term Deposit with Companies	47,05,21,310	25,09,14,235
<b>Total</b>	<b>446,63,62,304</b>	<b>410,43,42,544</b>
Surplus / (Deficit) for the year	(19,05,26,283)	44,33,05,404
Add: Opening Cash and Bank Balances	184,85,34,283	140,52,28,879
<b>Closing Cash &amp; Bank Balances</b>	<b>165,80,08,000</b>	<b>184,85,34,283</b>

In terms of our report of even date annexed

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

Chartered Accountants

Firm Reg. No: 002494S

**For and behalf of the Board of Directors**

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Sd/-

**K. Baskaran, IAS**

Managing Director

Sd/-

**Harmander Singh, IAS**

Chairman

Place : Chennai

Date : 21.09.2020

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

# TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND

(Grant Fund of Government of Tamil Nadu)

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
	(₹)	
<b>Note-1 :</b>		
<b>Grant from Government</b>		
Balance at the beginning of the year	295,20,51,183	232,66,08,441
Add: Grant assistance received during the year	409,82,20,662	428,82,46,962
Excess of Income over Expenditure carried from Income & Expenditure Account	21,87,42,611	19,01,47,780
	<b>726,90,14,456</b>	<b>680,50,03,183</b>
Less: Disbursements to ULBs during the year	399,53,44,000	385,29,52,000
<b>Total</b>	<b>327,36,70,456</b>	<b>295,20,51,183</b>
<b>Note-2 :</b>		
<b>Current Liabilities</b>		
Audit Fee payable	23,600	23,600
TDS payable under GST	0	1,940
<b>Total</b>	<b>23,600</b>	<b>25,540</b>
<b>Note-3 :</b>		
<b>Current Assets</b>		
<b>a. Cash and Cash Equivalents</b>		
i. in Savings Bank Account with Banks	45,63,37,123	38,13,296
ii. in Deposit Account with Banks	120,16,70,877	184,47,20,987
	<b>165,80,08,000</b>	<b>184,85,34,283</b>
<b>b. Term Deposit with Companies</b>	153,32,97,743	106,27,76,433
<b>c. Other Current Assets</b>		
Interest accrued on Deposits	8,23,88,313	4,07,66,007
<b>Total</b>	<b>327,36,94,056</b>	<b>295,20,76,723</b>

# **TAMIL NADU URBAN ROAD INFRASTRUCTURE FUND**

(Grant Fund of Government of Tamil Nadu)

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020**

## **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 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 revised 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 as ammended from time to time. The fee structure is prscribed by the Government from time to time. The Government vide G.O.Ms.No.45, Municipal Administration & Water Supply (M.A.3) Department dated 09.04.2013 approved the fee @ 0.01% to TNUIFSL for the disbursement made from the Financial Year 2011-12.

### **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 the net of 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)

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020**

## **Note – 5 Nature of Operation**

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

**Note– 6** Previous year figures have been regrouped / reclassified wherever necessary.

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In terms of our report of even date annexed

### **For P.M.M. Associates**

Chartered Accountants

Firm Reg. No: 002494S

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

### **For and behalf of the Board of Directors**

Sd/-

**K. Baskaran, IAS**

Managing Director

Sd/-

**Harmander Singh, IAS**

Chairman

Place : Chennai

Date : 21.09.2020

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

# **CHENNAI MEGA CITY DEVELOPMENT FUND**

(Grant Fund of Government of Tamil Nadu)

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

## **Report on the Activities and Annual Accounts of Chennai Mega City Development Fund for the Financial Year 2019-20**

### **1. Introduction**

The Government vide G.O.(Ms) No.10, Municipal Administration and Water Supply (MC.1) Department, dated 27.01.2012 had launched Chennai Mega City Development Mission (CMCDM) initially for the period from 2011-12 to 2015-16 and vide G.O.(Ms) No.66, Municipal Administration and Water Supply (MC.1) Department, dated 22.06.2018 CMCDM has been re-launched from 2018-19. The Government vide G.O.(3D) No.5, Municipal Administration and Water Supply (MC.1) Department, dated 30.03.2012 had issued orders for creation of Chennai Mega City Development Fund for implementing CMCDM. The Chennai Mega City Development Fund is a Government Fund and the Corpus for the fund will be provided by way of budgetary allocation, every year by Government of Tamil Nadu. The Government has designated Tamil Nadu Urban Infrastructure Financial Services Limited as the Nodal Agency for CMCDM.

### **2. Objectives**

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

### **3. Fund management**

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

### **4. Fund size, sources and allocation**

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



## **5. Eligibility Criteria**

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

## **6. Procedure for application and approval of grant**

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

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

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

## **7. Procurement**

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

## 8. Performance

A sum of ₹ 359.06 crores has been disbursed to GCC and CMWSSB during the financial year 2019-20. The details are furnished below:

(₹ in Crores)

Details	Financial Year 2019 - 20	Financial Year 2018-19
<b>Balance of Fund as on 1<sup>st</sup> April</b>	<b>464.34</b>	<b>118.18</b>
Add : Grant received from GoTN	0.00	500.00
<b>Total</b>	<b>464.34</b>	<b>618.18</b>
Less : Grant Disbursements	359.06	153.45
Excess of Expenditure over Income	0.51	0.39
<b>Balance of fund as on 31st March</b>	<b>104.77</b>	<b>464.34</b>

## 9. Accounts and Audit

The Annual Accounts for the financial year 2019-20 have been audited by M/s. P.M.M. Associates, Chartered Accountants, Chennai.

# P. M. M. ASSOCIATES

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

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

### Opinion

We have audited the financial statements of CHENNAI MEGA CITY DEVELOPMENT FUND (the entity), the Grant Fund of Government of Tamil Nadu, which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31<sup>st</sup> March 2020, and of its financial performance and the Receipts and Payments Account for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

### Basis for Opinion

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

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

The Management (Fund Manager) is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

# P. M. M. ASSOCIATES

CHARTERED ACCOUNTANTS

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In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Chartered Accountants

Firm No.002494S

Sd/-

**(N. Ramaraj)**

Partner

Place : Chennai

Date : 21-09-2020

Membership No. 022683

UDIN:20022683AAAAAL7136

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No. 9, State Bank Colony Extension, S2 Sailakshmi Flats, Opp. J.K.Mahal, Nanganallur, Chennai- 600 061

Ph No : 044-22243472, Mobile : 9385661152 & 9841014549 email : aramaraj11@hotmail.com

# CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

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

## BALANCE SHEET AS AT 31.03.2020

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
		(₹)	
<b>Sources of Funds</b>			
Grant from Government	1	104,77,23,417	464,33,95,594
Current Liabilities	2	23,600	35,632
<b>Total</b>		<b>104,77,47,017</b>	<b>464,34,31,226</b>
<b>Application of Funds</b>			
Current Assets	3		
Cash and Cash Equivalents		104,77,47,017	464,34,31,226
<b>Total</b>		<b>104,77,47,017</b>	<b>464,34,31,226</b>
Notes including Significant Accounting Policies - Note 1 to 6			

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

In terms of our report of even date annexed

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

Chartered Accountants

Firm Reg. No: 002494S

**For and behalf of the Board of Directors**

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Sd/-

**K. Baskaran, 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 : 21.09.2020

# CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

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

## INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03..2020

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	(₹)	
<b>Income</b>		
Interest earned		
On Savings Bank Account	17,699	7,743
<b>Total</b>	<b>17,699</b>	<b>7,743</b>
<b>Expenditure</b>		
Management Fee	50,66,276	38,55,353
Audit Fee – Statutory Audit	23,600	23,600
<b>Total</b>	<b>50,89,876</b>	<b>38,78,953</b>
Excess of Income over Expenditure transferred to Grant from Government	<b>(50,72,177)</b>	<b>(38,71,210)</b>
Notes including Significant Accounting Policies - 1 to 6		

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

In terms of our report of even date annexed

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

Chartered Accountants

Firm Reg. No: 002494S

**For and behalf of the Board of Directors**

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Sd/-

**K. Baskaran, 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 : 21.09.2020



# CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

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

## RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2020

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	(₹)	
<b>Receipts</b>		
Grant from Government	0	500,00,00,000
Interest Receipts	17,699	7,743
<b>Total</b>	<b>17,699</b>	<b>500,00,07,743</b>
<b>Payments</b>		
Grant Disbursements	359,06,00,000	153,44,93,000
Management Fee	50,66,276	38,43,321
Statutory Audit Fees	23,600	23,600
TDS under GST	12,032	0
<b>Total</b>	<b>359,57,01,908</b>	<b>153,83,59,921</b>
Surplus / (Deficit) for the year	(359,56,84,209)	346,16,47,822
Add: Opening Cash and Bank Balances	464,34,31,226	118,17,83,404
<b>Closing Cash &amp; Bank Balances</b>	<b>104,77,47,017</b>	<b>464,34,31,226</b>

In terms of our report of even date annexed

### For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

### For and behalf of the Board of Directors

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Sd/-

**K. Baskaran, IAS**

Managing Director

Sd/-

**Harmander Singh, IAS**

Chairman

Place : Chennai

Date : 21.09.2020

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

# CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
	(₹)	
<b>Note-1</b>		
<b>Grant from Government</b>		
Balance at the beginning of the year	464,33,95,594	118,17,59,804
Add: Grant assistance received during the year	0	500,00,00,000
	<b>464,33,95,594</b>	<b>618,17,59,804</b>
Less: Grant Disbursement during the year	359,06,00,000	153,44,93,000
Excess of Income over Expenditure carried from Income & Expenditure Account	50,72,177	38,71,210
<b>Total</b>	<b>104,77,23,417</b>	<b>464,33,95,594</b>
<b>Note-2</b>		
<b>Current Liabilities</b>		
Audit Fee payable	23,600	23,600
TDS payable under GST	0	12,032
<b>Total</b>	<b>23,600</b>	<b>35,632</b>
<b>Note-3</b>		
<b>Current Assets</b>		
<b>Cash and Cash Equivalents</b>		
i. In Savings Account	3,16,517	4,00,726
ii. In Public Deposit Account	104,74,30,500	464,30,30,500
<b>Total</b>	<b>104,77,47,017</b>	<b>464,34,31,226</b>

# **CHENNAI MEGA CITY DEVELOPMENT FUND**

(Grant Fund of Government of Tamil Nadu)

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020**

## **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 from time to time.

### **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 grant to ULB/Board & other eligible disbursements, if any.

# CHENNAI MEGA CITY DEVELOPMENT FUND

(Grant Fund of Government of Tamil Nadu)

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

## 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.

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In terms of our report of even date annexed

### For P.M.M. Associates

Chartered Accountants

Firm Reg. No: 002494S

**For and behalf of the Board of Directors**

Sd/-

**N. Ramaraj**

Partner

Membership No: 022683

Sd/-

**K. Baskaran, IAS**

Managing Director

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**Harmander Singh, IAS**

Chairman

Place : Chennai

Date : 21.09.2020

**(Tamil Nadu Urban Infrastructure Financial  
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