

Annual Report

2020-2021

TNUDF

TAMIL NADU URBAN DEVELOPMENT FUND

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

Dr.S.Swarna, IAS

Chairman & Managing Director,
TNUIFSL,
RA Puram,
Chennai 600 028

Mr.Shiv Das Meena, IAS.,

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

Mr. Prashant Mukund Wadnere, IAS.,

Additional Secretary to Government
Finance Department,
Secretariat, Fort St. George
Chennai 600 009

Mr. Hitesh Kumar S. Makhwana, IAS,

Principal Secretary to Government,
H&UD Department
Secretariat, Fort St. George
Chennai 600 009

Dr.M. Saikumar, IAS,

Chairman & Managing Director,
TUFIDCO Limited,
490/1-2, Anna Salai,
Nandanam, Chennai 600 035

Mr.P.Ponniiah, IAS

Director of Municipal Administration,
Admin.building, 75, Santhome High Road,
R.A.Puram, MRC Nagar,
Chennai 600 028.

Mr.G.Vetrivel,

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

Mr.Maddipatla Himadar,

City Business Head,
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
Flat A3, Shreeniketan
No.72, Luz Church II Street,
Mylapore, Chennai - 600004

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.Shiv Das Meena, IAS.,

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

Mr.Vikram Kapur, IAS,

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

Mr. Prashant Mukund Wadnere, IAS.,

Additional Secretary to Government
Finance Department,
Secretariat, Fort St. George
Chennai 600 009

Mr. Hitesh Kumar S. Makhwana, IAS,

Principal Secretary to Government,
H&UD Department
Secretariat, Fort St. George
Chennai 600 009

Dr.S.Swarna, IAS

Chairman & Managing Director
TNUIFSL,
Chennai 600 028

Mr.G.Vetrivel,

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

Mr.Maddipatla Himadar,

City Business Head,
ICICI Bank Limited,
No.1, Cenotaph Road,
Teynampet,
Chennai 600 018

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
Flat A3, Shreeniketan
No.72, Luz Church II Street,
Mylapore, Chennai - 600004

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 2020 – 2021

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.

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

4.1 Units:

A sum of Rs.199.60 crores has been contributed by all the four-unit holders, of which contribution from Government is Rs.142.91 crores.

4.2 Loan under externally aided schemes:

A sum of Rs.402.59 crores has been borrowed and a sum of Rs.66.22 crores has been repaid to Government under various externally aided projects. The net loans as on 31.03.2021 is Rs.3259.62 crores. The details are furnished below:

Particulars	Amount (Rs. in crores)
Loan balance as on 01-04-2020	2923.25
Loans borrowed during the year	402.59
Loans repaid to Government	66.22
Loan balance as on 31-03-2021	3259.62

The details of loan amount available and loan availed as on 31.03.2021 under various externally aided projects are furnished:

(₹ in crores)

Sl.No.	Externally aided projects	Available	Availed
i.	Loan under World Bank assisted TNUDP II	45.23	45.23
ii.	Loan under World Bank assisted TNUDP III	497.33	497.33
iii.	Loan under World Bank assisted TNSUDP	1315.31	1150.00
iv.	Loan under JICA assisted TNUIP	260.27	260.27
v.	Loan under KfW assisted SMIF – TN-I	331.02	331.02
vi.	Loan under KfW assisted SMIF – TN-II-1	337.77	330.77
vii.	Loan under KfW assisted SMIF – TN-II-2	417.36	370.00
viii.	Loan under ADB assisted TNUFIP-1	304.78	175.00
ix.	Loan under ADB assisted TNUFIP-2	487.01	100.00
	Total Loans	3996.08	3259.62

The balance amount of ₹ 736.46 crores will be availed based on the progress of the projects assisted by TNUDF.

5. Assistance under Externally 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 ₹ 1164.97 crores has been disbursed as term loan to the ULBs based on the progress of the projects under TNSUDP as on 31-03-2021.

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 on 09-07-2008. 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 I has been completed. Phase I of the Program has been completed. The Phase –II Program has two parts. The SMIF-TN-II-Part 1 Program was launched on 19-12-2012 and SMIF-TN-II-Part 2 Program was launched on 18-06-2014. A sum of ₹ 1033.36 crores (₹ 371.52 crores under SMIF – TN Program, ₹ 328.46 crores under SMIF – TN-II-1 Program and ₹ 333.38 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 31-03-2021.

5.3. Tamil Nadu Urban Flagship Investment Program (TNUFIP) 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 02-12-2019. A sum of ₹ 241.50 crores (₹141.50 crores under Tranche-1 and ₹ 100.00 crores under Tranche-2) has been disbursed as term loan to the ULBs based on the progress of the projects up to 31-03-2021. The Tranche-III is being taken up for appraisal by ADB.

6. PERFORMANCE

6.1 Financial Performance

The total income of the financial year 2020-21 is ₹ 259.59 crores and the total expenditure is ₹ 237.95 crores. The net surplus (excess of income over expenditure) for the financial year 2020-21 is ₹ 11.88 crores. The details are furnished below:

Details	Amount (Rs. in crores)
Total Income	259.59
Less: Total Expenditure	237.95
Excess of Income over Expenditure	21.64
Less: Provision for Income Tax	9.76
Net Surplus for the Year	11.88

6.2 Project Loan Approvals

During the financial year 2020-21, term loan of ₹ 281.59 crores has been sanctioned to forty seven urban infrastructure projects. The sector wise financial assistance is as detailed below:

(₹ in Crores)				
Sl. No.	Sector	No. of Projects	Project Cost	Term Loan Sanctioned
1	Roads and Storm Water Drains	45	628.06	266.70
2	Sewerage & Sanitation	2	86.28	14.89
	Total	47	714.34	281.59

6.3 Project Loan Disbursements

The loan balance with the ULBs as on 01-04-2020 is ₹ 2646.66 crores. During the financial year 2020-21, a sum of ₹ 435.19 crores has been disbursed as term loan and loan of ₹130.70 crores has been repaid by the ULBs. The net loan balance as on 31-03-2021 is ₹ 2942.15crores as detailed below:

Particulars	Amount (Rs. in crores)
Loan balance as on 01-04-2020	2646.66
Loans disbursed during the year	435.19
Loans repaid during the year	139.70
Loan balance as on 31-03-2021	2942.15

6.4 Collection of Debt Service

The entire debt service (principal and interest) dues of ₹ 372.16 crores from the ULBs for the financial year 2020-21 have been collected. TNUDF has achieved record 100% collection efficiency continuously for the past seventeen financial years.

7. Accounts and Audit

The Accounts for the financial year 2020-2021 have been completed and audited by M/s. Joseph & Rajaram, Chartered Accountants, Chennai. A copy of the audited accounts for the financial year 2020-21 is enclosed.

Tamil Nadu Urban Development Fund

HIGHLIGHTS OF PERFORMANCE

(₹ in Crores)

	31.3.21	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
Total Assets	3712.29	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
Net worth	291.32	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
Total Income	259.59	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
Total Expenditure	237.95	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
Surplus before provision for contingency	-	-	-	-	-	-	-	-	-	-	-	-	17.96	18.34	15.33
Provision for Contingency	-	-	-	-	-	-	-	-	-	-	-	-	6.17	14.40	10.05
Surplus available for distribution	-	-	-	-	-	-	-	-	-	-	-	-	11.79	3.94	5.28
Surplus before tax	21.64	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	9.76	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	11.88	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	11.88	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 %	8.90	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
Yield on Investments %	7.12	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
Cost of funds %	8.25	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
Loan Sanctions (Net)	281.59	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
Loan Disbursements	435.19	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
Recoveries Principal + Interest)	372.16	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
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

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
Tamil Nadu Urban Urban Development Fund

Opinion

We have audited the financial statements of **Tamil Nadu Urban Development Fund** (the entity), which comprise the Balance Sheet as at 31st March 2021, and the Income and Expenditure Account and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31st March 2021, 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 : 13.08.2021

TAMIL NADU URBAN DEVELOPMENT FUND

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

BALANCE SHEET AS AT 31st MARCH 2021

Particulars		Note No.	As at 31/03/2021	As at 31/03/2020
			(₹)	
A	SOURCES OF FUNDS			
I	Capital Fund			
	a. Contribution by Settlor	1	5000	5000
	b. Reserves & Surplus	2	91,72,41,151	79,83,93,055
II	Borrowed Funds			
	a. Units	3	199,59,69,211	199,59,69,211
	b. Other Loans	4	3259,62,42,352	2923,24,93,907
III	Current Liabilities & Provisions	5	161,34,67,182	146,02,94,816
	TOTAL		3712,29,24,896	3348,71,55,989
B	APPLICATION OF FUNDS			
IV	Loans Disbursed	6	2930,38,31,318	26,36,06,96,819
V	Current Assets	7	781,90,93,578	712,64,59,170
	TOTAL		3712,29,24,896	3348,71,55,989
Notes including Significant Accounting Policies		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 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/-
S.Swarna, IAS
Director

Sd/-
Shiv Das Meena, IAS
Chairman

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

Place: Chennai
Date: 13.08.2021

TAMIL NADU URBAN DEVELOPMENT FUND

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

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31stMARCH 2021

Particulars		Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
			(₹)	
A	INCOME			
i	Interest on Loans Disbursed		241,27,40,135	231,84,14,949
ii	Interest on Deposits & Savings Bank Accounts		17,88,66,460	12,94,81,428
iii	Other Income-Interest on Income Tax Refund		42,88,169	0
	TOTAL - A - (I+II+III)		259,58,94,764	244,78,96,377
B	EXPENDITURE			
iv	Financial Cost	8	227,27,24,651	212,36,71,577
v	Management Fee & other Operating Expenses	9	9,49,52,199	8,93,48,140
vi	Provision in respect of Loans Disbursed		1,18,19,818	41,71,389
	TOTAL - B - (iv+v+vi)		237,94,96,668	221,71,91,106
C	Net income before Tax (A-B)		21,63,98,096	23,07,05,271
D	Less: Provision for Income Tax - Current Year		9,75,50,000	10,03,96,000
E	Net Surplus for the year (C-D)		11,88,48,096	13,03,09,271
F	Net Income / Surplus after tax transferred to Capital Fund		11,88,48,096	13,03,09,271
	Notes including Significant Accounting Policies	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 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/-
S.Swarna, IAS
Director

Sd/-
Shiv Das Meena, IAS
Chairman

Place: Chennai
Date: 13.08.2021

Tamil Nadu Urban Infrastructure Trustee Company Limited
(Trustees)

TAMIL NADU URBAN DEVELOPMENT FUND

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

	Particulars	For the Year Ended 31/03/2021	For the Year Ended 31/03/2020
		(₹)	
A.	Cash flow From Operating Activities		
	Net Income before Tax	21,63,98,096	23,07,05,271
	Operating Surplus before Working Capital Changes	21,63,98,096	23,07,05,271
	Adjustments for (Increase)/ Decrease in Operating Assets/Liabilities:-		
	Current Assets	(86,29,52,017)	(85,95,33,739)
	Current Liabilities	5,56,22,366	10,00,27,180
	Cash Generated from Operations	(59,09,31,555)	(52,88,01,288)
	Direct Taxes Paid / Tax Deducted at Source	(13,94,84,948)	(24,40,34,305)
	Net Cash from / (Used in) Operating Activities (A)	(73,04,16,503)	(77,28,35,593)
B.	Cash Flow from Investing Activities		
	Loans Disbursed (Net)	(294,31,34,499)	(103,86,75,965)
	Investment (Net)	0	0
	Net Cash used in Investing Activities (B)	(294,31,34,499)	(103,86,75,965)
C.	Cash Flow from Financing Activities		
	Units	0	0
	Borrowings (Net)	336,37,48,445	292,41,23,801
	Net Cash from Financing Activities (C)	336,37,48,445	292,41,23,801
	Net (Decrease) / Increase in Cash & Cash Equivalents (A + B + C)	(30,98,02,557)	111,26,12,243
	Cash and Cash equivalents at the beginning of the Accounting Period	361,22,82,678	249,96,70,435
	Cash and Cash equivalent at the end of the Accounting Period	330,24,80,121	361,22,82,678

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/-
S.Swarna, IAS
Director

Sd/-
Shiv Das Meena, IAS
Chairman

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

Place: Chennai
Date: 13.08.2021

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 31st MARCH 2021

Note No	Particulars	As at 31 st March 2021	As at 31 st March 2020
		(₹)	
Note-1	Contribution by Settlor		
(i)	Initial Settlement Amount	5,000	5,000
Total		5,000	5,000
Note-2	Reserves & Surplus		
(i)	Capital Reserve	2,66,40,789	2,66,40,789
(ii)	Net Income / Surplus		
	Opening balance	77,17,52,266	64,14,42,995
	Add : Transfer during the year	11,88,48,096	13,03,09,271
	Closing Balance	89,06,00,362	77,17,52,266
Total		91,72,41,151	79,83,93,055
Note-3	Units		
	(19959. 69211 units @ ₹ 1,00,000 per unit)		
(i)	Government of Tamil Nadu	142,91,24,994	142,91,24,994
(ii)	ICICI Bank Ltd.	23,32,36,491	23,32,36,491
(iii)	HDFC Ltd.	16,71,61,299	16,71,61,299
(iv)	IL & FS Financial Services Ltd.	16,64,46,427	16,64,46,427
Total		199,59,69,211	199,59,69,211
Note- 4	Other Loans		
(i)	Loans under IBRD line of credit	1692,57,25,720	1540,46,14,910
(ii)	Loans under JICA line of credit	260,27,00,000	260,27,00,000
(iii)	Loans under KfW line of credit	1031,78,16,632	972,51,78,997
(iv)	Loans under ADB line of credit	275,00,00,000	150,00,00,000
Total		3259,62,42,352	2923,24,93,907

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 31st MARCH 2021

Note No	Particulars	As at 31 st March 2021	As at 31 st March 2020
		(₹)	
Note- 5	Current Liabilities & Provisions		
1	Current Liabilities		
	a. Expenses payable	2,21,000	2,17,59,199
	b. TDS payable under GST	3,63,198	0
	c. Amount received in advance from borrowers	61,30,76,785	54,75,45,758
	d. Interest accrued but not due on borrowings	43,45,97,780	42,33,31,440
2	Provisions for income tax	56,52,08,419	46,76,58,419
	Total	161,34,67,182	146,02,94,816
Note- 6	Loans Disbursed		
1	Loans to Urban Infrastructure Projects	2942,15,17,388	2646,65,63,071
	Less: Provisions	11,76,86,070	10,58,66,252
	Total	2930,38,31,318	2636,06,96,819
Note- 7	Current Assets		
1	Cash and Cash Equivalents		
	a. In Savings Bank Accounts	19,52,10,121	8,80,82,678
	b. In Public Deposit Account	310,72,70,000	352,42,00,000
	c. In Deposit Accounts	0	38,00,00,000
2	Current Investments		
	a. Term Deposits with Companies	244,084,86,843	131,93,53,687
3	Other Current Assets		
	a. Interest accrued on deposits and investments	9,45,74,434	6,12,67,204
	b. Interest accrued on loans disbursed	77,24,76,626	68,43,64,995
	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	117,51,32,946	103,56,47,998
	Total	781,90,93,578	712,64,59,170

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 31st MARCH 2021

Note No	Particulars	For the Year Ended 31 st March 2021	For the Year Ended 31 st March 2020
Note- 8	Financial Cost		
(i)	Interest on Units	16,56,65,445	16,56,65,445
(ii)	Interest on loans borrowed	210,70,59,206	195,80,06,132
Total		227,27,24,651	212,36,71,577
Note- 9	Management Fee & Other Operating Expenses		
(i)	Management Fees	6,54,78,839	6,78,14,200
(ii)	Front End Fees on loans borrowed	2,77,59,000	2,00,00,000
(iii)	Auditors' Remuneration		
	- Audit	1,77,000	1,77,000
	- Tax Audit	23,600	23,600
(iv)	Other Expenses	15,13,760	13,33,340
Total		9,49,52,199	8,93,48,140

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 31ST MARCH 2021

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 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 31ST MARCH 2021

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 URBANDEVELOPMENT FUND

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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&T2).

The details are furnished below:

(in ₹)

Line of Credit	Balance as on 01.04.2020	Additions: Borrowings	Deductions: Repayments	Balance as on 31.03.2021
I IBRD lines of credit				
TNUDP-II	61,64,49,977	0	16,41,13,181	45,23,36,796
TNUDP-III	528,81,64,933	0	31,47,76,009	497,33,88,924
TNSUDP	950,00,00,000	200,00,00,000	0	1150,00,00,000
ii. JICA lines of credit				
TNUIP	260,27,00,000	0	0	260,27,00,000
iii. KfW lines of credit				
SMIF-TN-I	344,69,22,764	0	13,67,65,050	331,01,57,714
SMIF-TN-II-1	327,82,56,233	7,59,00,000	4,64,97,315	330,76,58,918
SMIF-TN-II-2	300,00,00,000	70,00,00,000	0	370,00,00,000
iv. ADB lines of credit				
TNUFIP-T1	150,00,00,000	25,00,00,000	0	175,00,00,000
TNUFIP-T2	0	100,00,00,000	0	100,00,00,000
Total	2923,24,93,907	402,59,00,000	66,21,51,555	3259,62,42,352

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 31st MARCH 2021

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 01.04.2020	Additions: Lending	Deductions: Repayments	Balance as on 31.03.2021
I IBRD lines of credit				
TNUDP-II	61,64,49,977	0	16,41,13,181	45,23,36,796
TNUDP-III	158,52,91,928	1,96,00,000	17,92,15,944	142,56,75,984
TNSUDP	979,84,88,710	161,20,00,000	23,72,18,009	1117,32,70,701
ii. JICA lines of credit				
TNUIP	235,99,21,000	0	68,07,419	235,31,13,581
iii. KfW lines of credit				
SMIF-TN-I	293,24,56,991	0	26,31,63,880	266,92,93,111
SMIF-TN-II-1	259,30,38,921	42,31,40,000	13,07,18,483	288,54,60,438
SMIF-TN-II-2	256,59,05,450	51,46,00,000	24,59,54,801	283,45,50,649
iv. ADB lines of credit				
TNUFIP-T1	65,00,00,000	76,50,00,000	0	141,50,00,000
TNUFIP-T2	0	100,00,00,000	0	100,00,00,000
v. TNUDF own funds				
Own Funds	336,50,10,094	1,76,00,000	16,97,93,966	321,28,16,128
Total	2646,65,63,071	435,19,40,000	139,69,85,683	2942,15,17,388

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 31st March 2021. 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 31st MARCH 2021

e. Capital commitments, contingent liabilities and others:

i Term loans pending disbursement against sanction for which funds have been received from the Government is ₹ 91.91 crores (as on 31st March 2020 is ₹ 166.20 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.
2010-11 & 2012-13	Interest paid on Borrowings (interest on tax free bonds) disallowed unders section 14 (A).	Appeals filed with ITAT.	ITAT passed orders referring the file back to the AO. The matter is pending before the AO.	Disputed tax along with interest has been paid.
2018-19	Interest paid on Units was disallowed.	Appeals filed before CIT.	Pending with CIT (A).	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 31st MARCH 2021

f. Expenditure and earnings in Foreign Currency:

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

g. Deferred Tax is not considered as there is no timing difference

Note – 13 - 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 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/-

S.Swarna, IAS

Director

Sd/-

Shiv Das Meena, IAS

Chairman

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

Place: Chennai

Date: 13.08.2021

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 24th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2021

(₹ in lakhs)

Details	Financial Year	
	2020-21	2019-20
Total Income	0.91	0.92
Total Expenditure	0.74	0.68
Net Profit before tax	0.17	0.24
Net Profit after tax	0.12	0.18
Net worth	11.45	11.33

1 FINANCIAL RESULTS

2 SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as at March 31, 2021 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, 2021, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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

3 DIVIDEND

No Dividend was declared for the current financial year

4 TRANSFER OF UNCLAIMED DIVIDED TO INVESTOR EDUCATION AND PROTECTION FUND

Nil.

5 TRANSFER TO RESERVES

Nil.

6 REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS

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

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 2020-21.

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 above said provisions are not applicable to the company, as there are no employees in the Company at present.

15 POLICY ON DIRECTORS APPOINTMENT, REMUNERATION AND OTHER DETAILS

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

16 ANNUAL RETURN

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

17 NUMBER OF MEETINGS OF THE BOARD

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

Sl. No.	Date(s) of Meetings of the Board	No. of Directors on the date of Meeting	No. of Directors attended the Meeting
1.	05.08.2020	9	9
2.	09.09.2020	8	7
3.	01.12.2020	9	5
4.	22.02.2021	9	9

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.	Mrs. Jayashree Raghunandan, IAS	4	2
3.	Ms. Pooja Kulkarni, IAS	4	3
4.	Mr. Rajesh Lakhoni, IAS	3	2
5.	Dr. D. Karthikeyan, IAS	1	1
6.	Dr. K. Baskaran, IAS	4	4
7.	Mr. Thallam Sreekumar	1	1
8.	Mr. Maddipatala Himadar	2	1
9.	Mr. G. Vetrivel	4	4
10.	Mr. L. Krishnan	4	4
11.	Mr. Mathew Joseph	4	4

18 DIRECTORS' RESPONSIBILITY STATEMENT

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

i. in the preparation of Annual Accounts for the financial year ended 31st March 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2021 and of the profit and loss of the Company for the financial year ended 31st March, 2021;
- 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 2020-21, Mr.K.Baskaran, IAS in the place of Mr. G.Prakash IAS and Dr.D.Karthikeyan, IAS in the place of Mr. Rajesh Lakhoni, IAS and Mr.Maddipatala Himadar in the place of Mr.Thallam Sreekumar 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, Mr.Mathew Joseph and Mr.L.Krishnan 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 20th AGM appointed M/s. Ponraj & Co., Chartered Accountants, Chennai (firm registration number 002672S) as Auditors of the Company for a period of five years to hold office from the conclusion of 20th Annual General Meeting till the conclusion of the 25th 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/-

Shiv Das Meena, IAS
Chairman

Place : Chennai 600028
Date : 03.09.2021

DIN. 01881010

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2021

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		
A. Promoters										
(1) Indian										
a) Individual/HUF										
b) Central Govt.or State Govt.		49400	49400	49.06%		49400	49400	49.06%	0	
c) Bodies Corporates										
d) Bank/FI		51300	51300	50.94%		51300	51300	50.94%	0	
e) Any other										
SUB TOTAL:(A) (1)		100700	100700	100%		100700	100700	100%	0	
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
SUB TOTAL (A) (2)										
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		100700	100700	100%		100700	100700	100%	0%	
B. PUBLIC SHAREHOLDING										
(1) Institutions		0	0	0		0	0	0	0	
a) Mutual Funds										
b) Banks/FI										
C) Central govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
I Others (specify)										
SUB TOTAL (B)(1):		0	0	0		0	0	0	0	
(2) Non Institutions										
a) Bodies corporates										
I Indian										
ii) Overseas										
b) Individuals										
I Individual shareholders holding nominal share capital upto Rs.1 lakhs										
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs										
c) Others (specify)										
SUB TOTAL (B)(2):		0	0	0		0	0	0	0	
Total Public Shareholding (B)= (B)(1)+(B)(2)		0	0	0		0	0	0	0	
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)		100700	100700	100%	0	100700	100700	100%	0	0

(ii) SHARE HOLDING OF PROMOTERS

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	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	DR.D. KARTHIKEYAN, 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. MADDIPATALA HIMADAR, (holding shares as nominee of ICICI Bank Ltd)	100	0.10%	0%	100	0.10%	0%	0%
10	MR.G.VETRIVEL (holding shares as nominee of ICICI Bank Ltd)	100	0.10%	0%	100	0.10%	0%	0%
11	MR.L.KRISHNAN (holding shares as nominee of IL&FS Financial Services Ltd)	100	0.10%	0%	100	0.10%	0%	0%
	Total	100700	100.00%	0%	100700	100.00%	0%	0%

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

No Change

SI. 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%
	during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	100700	100%	100700	100%

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

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

(v) Shareholding of Directors & KMP

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
	For Each of the Directors & KMP	No. of Shares%	% of total shares of the company	No. of Shares%	% of total shares of the company
	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	DR.D.KARTHIKEYAN, 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. MADDIPATALA HIMADAR, (holding shares as nominee of ICICI Bank Ltd)	100	0.01%	100	0.01%
6	MR.G.VETRIVEL (holding shares as nominee of ICICI Bank Ltd)	100	0.01%	100	0.01%
7	MR.L.KRISHNAN (holding shares as nominee of IL&FS Financial Services Ltd)	100	0.01%	100	0.01%
	Total	700	0.07%	700	0.07%

V. INDEBTEDNESS

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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors:

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

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

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

VII PENALTIES/PUNISHMENT/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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
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 Street Extension, 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, 2021. 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 2020-21 as stated in Annexure “B”.
3. The Board of Directors have met 4 (Four) times on 05/08/2020, 21/09/2020, 01/12/2020 and 22/02/2021 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 31.03.2020 was held on 01/12/2020 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. Under the provisions of Companies Act 2013, the appointment of Independent Directors including woman Directors are not applicable to this Company.
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. According to Section 177(9) 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.
9. 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.
10. 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.

11. As per the information provided to me, no duplicate share certificate has been issued during the period under review.
12. There were no requests for transfer of shares during the period under review.
13. Section 135 of Companies Act 2013 in respect of Corporate Social Responsibility is not applicable to this company.
14. 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.
15. The Company has not issued shares and debentures during the period under review.
16. The Company has not bought back any shares during the period under review.
17. 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.
18. 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.
19. 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.
20. 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.
21. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the period under scrutiny.
22. 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.
23. The Company has not altered its Articles of Association during the period under scrutiny.
24. I have been informed that no prosecution has been initiated against or show cause notices received by the Company during the financial year.
25. The Company has not received any money as security from its employees during the financial year.
26. 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 29/07/2021 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 : 29/07/2021

Annexure B

Forms and Returns have filed by the Company with the Ministry of Corporate Affairs (MCA) during the financial year 2020-21.

1. Form DIR - 12 filed on 10/09/2020 under SRN R54715933/10/09/2020
2. Form PAS -6 filed on 28/09/2020 under SRN R62594056 /28/09/2020
3. Form PAS -6 filed on 28/09/2020 under SRN R62955281 /28/09/2020
4. Form DIR - 12 filed on 28/09/2020 under SRN R62966304/28/09/2020
5. Form MGT -14 filed on 2 8 / 0 9 / 2 0 2 0 u n d e r S R N R62627872/28/09/2020
6. Form PAS -6 filed on 17/10/2020 under SRN R67741371 /17/10/2020
7. Form DIR - 12 filed on 09/12/2020 under SRN R74209412/09/12/2020
8. Form MGT 7 filed on 28/12/2020 under SRN R78441458/ 28/12/2020
9. Form AOC 4 filed on 28/12/2020 under SRN R78455748/ 28/12/2020

Place : Chennai
Date : 29/07/2021

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 2021, 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.

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021.

b) In the case of the Statement of Profit and Loss, of the **Profits** of the Company 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 Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, 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.

Management's Responsibility 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 and the Financial Performance in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 Statement 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 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. As part of an audit in accordance with SAs, 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 which would impact on its financial position.
 - ii. The Company does not have any material foreseeable losses from long-term contracts including derivative contracts. Hence no provision has been created for the same.
 - 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 : 13.08.2021

Membership Number: 210771
UDIN Number : 21210771AAAACW1512

PONRAJ & CO

CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditor's Report - 31st March 2021

Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date:

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 (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 (iii) 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 (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, 2021 and therefore, the provisions of the clause (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, 2021 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 (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 (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 (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 (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 (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 Number : 21210771AAAACW1512

Place : Chennai

Date : 13.08.2021

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 2021 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 2021, 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)

Place : Chennai
Date : 13.08.2021

Partner
Membership Number: 210771
UDIN Number : 21210771AAAACW1512

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 2021

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
		(₹)	
I. EQUITY AND LIABILITY			
Shareholders' Funds			
a. Share Capital	3	10,07,000	10,07,000
b. Reserves & Surplus	4	1,38,161	1,25,790
Non-Current Liabilities			
a. Long Term Borrowings		0	0
b. Deferred Tax Liabilities (Net)		0	0
c. Other Long-Term Liabilities		0	0
d. Long Term Provisions		0	0
Current Liabilities			
a. Trade Payables		0	0
i. Due to Micro and Small Enterprises		0	0
ii. Due to Others		0	0
b. Other Current Liabilities	5	23,600	23,600
c. Short Term Provisions		0	0
Total		11,68,761	11,56,390
II. ASSETS			
1. Non-Current Assets			
a. Fixed Assets			
i. Tangible Assets		0	0
ii. Intangible Assets		0	0
iii. Capital work in progress		0	0
b. Non-current Investments		0	0
c. Long-term Loans and Advances		0	0
d. Other Non-current Assets		0	0
2. Current Assets			
a. Current Investments	6	10,07,000	10,00,000
b. Inventories		0	0
c. Trade Receivables		0	0
d. Cash and Bank Balance	7	1,47,468	1,43,406
e. Short Term Loans and Advances	8	10,000	10,000
f. Other Current Assets	9	4,293	2,984
Total		11,68,761	11,56,390
Notes including Significant Accounting Policies	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 : 13.08.2021

For and on behalf of the Board of Directors

Sd/-
S. Swarna, IAS
Director
DIN No.01943187

Sd/-
Shiv Das Meena, IAS
Chairman
DIN No.01881010

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

Particulars	Note No.	For the Year ended 31.03.2021	For the Year ended 31.03.2020
		(₹)	
I. Revenue from Operations	10	0	0
II. Other Income		90,521	92,288
III. Total Revenue (I+II)		90,521	92,288
IV. Expenses	11		
Employee Benefits		0	0
Finance Cost		0	0
Depreciation and amortization Expenses		0	0
Other Expenses		73,800	67,700
Total Expenses		73,800	67,700
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		16,721	24,588
VI. Exceptional Items		0	0
VII. Profit Before Extraordinary Items and Tax (V - VI)		16,721	24,588
VIII. Extraordinary Items		0	0
IX. Profit Before Tax (VII - VIII)		16,721	24,588
X. Tax Expense			
1. Current Tax		4,350	6,400
2. Prior Years Tax		0	4
3. Deferred Tax		0	0
XI. Profit for the year from continuing operations (IX - X)		12,371	18,184
XII. Earnings Per Share (Basic & Diluted)	12.3	0.12	0.18
Notes including Significant Accounting Policies	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 : 13.08.2021

For and on behalf of the Board of Directors

Sd/-

S. Swarna, IAS

Director

DIN No.01943187

Sd/-

Shiv Das Meena, IAS

Chairman

DIN No.01881010

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 2021

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 2021

Note 3: Share Capital

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	In ₹	No. of Shares	In ₹
(a) Authorised Equity shares of ₹ 10 each with voting rights	1,10,000	11,00,000	1,10,000	11,00,000
(b) Issued, Subscribed and Fully paid-up Equity shares of ₹ 10 each with voting rights	1,00,700	10,07,000	1,00,700	10,07,000

(c) Equity Reconciliation

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 st March, 2021			
- Number of shares (Face Value of ₹ 10 each)	1,00,700	0	1,00,700
- Amount (₹)	10,07,000	0	10,07,000
Year ended 31 st March, 2020			
- 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 st March, 2021		As at 31 st March, 2020	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Equity shares with voting rights				
Government of Tamil Nadu	49000	48.66%	49000	48.66%
ICICI Bank Ltd	18986	18.85%	18986	18.85%
IL&FS Financial Services Ltd	17014	16.90%	17014	16.90%
Housing Development Financial Corporation Ltd	15000	14.90%	15000	14.90%

TAMIL NADU URBAN INFRASTRUCTURE TRUSTEE COMPANY LIMITED

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 2021**

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
	(₹)	
Note 4: Reserves and Surplus		
(a) General reserve	0	0
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,25,790	1,07,606
Add: Profit / (Loss) for the year	12,371	18,184
Total	1,38,161	1,25,790
Note 5: Other Current Liabilities		
Other payables		
(i) Statutory remittances	0	0
(ii) Contractually reimbursable expenses	23,600	23,600
Total	23,600	23,600
Note 6: Current Investment		
Deposit with Companies	10,07,000	10,00,000
Total	10,07,000	10,00,000

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 2021**

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
	(₹)	
Note 7 : Cash and Bank Balances		
(A) Cash and Cash Equivalents		
(a) Cash on hand	0	0
(b) Balances with bank		
(i) In current account	1,47,468	1,43,406
(ii) Cash Credit Account	0	0
(iii) Deposit with original maturity of less than 3 months	0	0
Total - A	1,47,468	1,43,406
(B) Other bank balances		
(a) Deposit with original maturity for more than 3 months but Less than 12 months	0	0
(b) Unpaid dividend	0	0
(c) Cheques on hand	0	0
Total - B	0	0
Total – (A+B)	1,47,468	1,43,406
Note 8: Short-term Loans and Advances		
Others – Unsecured, considered good	10,000	10,000
Total	10,000	10,000
Note 9: Other Current Assets		
(a) Accruals		
(i) Interest accrued on deposits	0	0
(ii) Interest accrued on investments	0	0
(b) Others		
(i) Advance tax and TDS (net of provisions)	4,293	2,984
Total	4,293	2,984

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 2021**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	(₹)	
Note 10: Other income		
(a) Interest income		
On Investments (Tax-free)	0	0
On Term Deposits	90,521	92,094
(b) Other non-operating income		
Miscellaneous Income	0	194
Total	90,521	92,288
Note 11: Other Expenses		
Administrative expenses	18,000	18,000
Filing Fees	4,400	2,400
Legal and professional	27,800	20,200
Office Maintenance - Others	0	3,500
Payments to auditors: Statutory Audit Fees	23,600	23,600
Total	73,800	67,700

Note 12: Additional Information to the Financial Statements

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
	(₹)	
12.1 Contingent liabilities and commitments (to the extent not provided for)	0	0
12.2 Amount due to MSME Units	0	0
12.3 Earnings per share		
Profit After Tax	12,371	18,184
Number of Equity Shares	1,00,700	1,00,700
Earning Per Share		
Basic	0.12	0.18
Diluted	0.12	0.18

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 2021

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

12.5 Expenditure/Earnings in foreign currency.

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

Note 13: Previous year's Figures

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

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

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 : 13.08.2021

For and on behalf of the Board of Directors

Sd/-

S. Swarna, IAS

Director

DIN No.01943187

Sd/-

Shiv Das Meena, IAS

Chairman

DIN No.01881010

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 24th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2021.

1 FINANCIAL RESULTS

Particulars	Financial Year 2020-21	Financial Year 2019-20
	(Rs. in lakhs)	
Total Income	1372.06	1285.07
Total Expenses	597.48	610.90
Profit or Loss before Tax	774.58	674.17
Less: Tax Expense	229.20	192.61
Profit for the year (After Tax)	545.38	481.56
Add: Balance as per last Balance Sheet	3515.01	3117.80
Less: Transfer to General Reserve	54.54	48.16
Less: Dividend	30.02	30.02
Less: Tax on Dividend	-	6.17
Balance carried to Balance Sheet	3975.83	3515.01

2 SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as at March 31, 2021 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, 2021, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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

3 DIVIDEND

Considering the net profit of the Company during the current financial year, it is proposed to declare dividend @ 30% on paid up equity share capital for the financial year ended 31.3.2021. 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. 54.54 lakhs to General Reserve during the financial year ended 31st March 2021.

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 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 2020-21.

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 (CSR)

As part of CSR activities, a sum of Rs. 28.07 lakhs have been contributed to Tamil Nadu State Disaster Management Authority to combat COVID-19 during the financial year 2020-21. The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the financial year 2020-21 are set out in the Annexure to this Report in the prescribed format.

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 2020-21.

15 POLICY ON DIRECTORS APPOINTMENT, REMUNERATION AND OTHER DETAILS

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

16 EXTRACT OF THE ANNUAL RETURN

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

17 NUMBER OF MEETINGS OF THE BOARD

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

Sl. No.	Date(s) of Meetings of the Board	No. of Directors on the date of Meeting	No. of Directors attended the meeting
1.	05.08.2020	10	9
2.	21.09.2020	09	8
3.	01.12.2020	09	5
4.	22.02.2021	10	8

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

The attendance of the Directors is furnished below:

18 Directors' Responsibility Statement

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

- in the preparation of Annual Accounts for the financial year ended 31st March 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2021 and of the profit and loss of the Company for the financial year ended 31st March, 2021;
- 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;
- the Directors have prepared the annual accounts on a going concern basis;
- 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
- 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 2020-21, Dr.K.Baskaran IAS, Managing Director, in the place of Mr.G.Prakash, IAS,) Dr.D.Karthikeyan, IAS (in the place of Mr. Rajesh Lakhoni, IAS) and Mr.Maddipatla Himadar (in the place of Mr.Thallam Sreekumar) has been appointed as Director(s) of the Company.

As per the Articles of Association, at every Annual General Meeting, one third of the Directors (other than the Chairman, Chief Executive Officer and one ICICI nominee) who have been longest in office since their appointment are liable to retire by rotation. Accordingly, Mr.Mathew Joseph and Mr.L.Krishnan are 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 20th AGM appointed M/s. Ponraj & Co., Chartered Accountants, Chennai (firm registration number 002672S) as Auditors of the Company for a period of five years to hold office from the conclusion of 20th Annual General Meeting till the conclusion of the 25th 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/-

Dr.S.Swarna, IAS

Chairman & Managing Director

DIN. 01943187

Place : Chennai – 600 028

Date : 06.09.2021

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2021

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		
A. Promoters										
(1) Indian										
a) Individual/HUF										
b) Central Govt.or State Govt.		490400	490400	49.01%		490400	490400	49.01%	0	
c) Bodies Corporates										
d) Bank/FI		510300	510300	50.99%		510300	510300	50.99%	0	
e) Any other										
SUB TOTAL:(A) (1)		1000700	1000700	100%		1000700	1000700	100%	0	
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
SUB TOTAL (A) (2)		0	0	0		0	0	0	0	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		1000700	1000700	100%		1000700	1000700	100%	0%	
B. PUBLIC SHAREHOLDING										
(1) Institutions		0	0	0		0	0	0	0	
a) Mutual Funds										
b) Banks/FI										
C) Central govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
I Others (specify)										
SUB TOTAL (B)(1):		0	0	0		0	0	0	0	
(2) Non Institutions										
a) Bodies corporates										
I Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs										
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs										
c) Others (specify)										
SUB TOTAL (B)(2):		0	0	0		0	0	0	0	
Total Public Shareholding (B)= (B)(1)+(B)(2)		0	0	0		0	0	0		
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)		1000700	1000700	100%	0	1000700	1000700	100%	0	0

(ii) **SHARE HOLDING OF PROMOTERS**

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%
	Total	1000700	100.00%	0%	1000700	100.00%	0%	0%

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

No Change

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

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

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
	For Each of the Top 10 Shareholders	No. of Shares%	% of total shares of the company	No. of Shares%	% of total shares of the company
	At the beginning of the year	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	
	For Each of the Directors & KMP	No. of Shares%	% of total shares of the company	No. of Shares%	% of total shares of the company
	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. MADDIPATALA HIMADAR, (holding shares as nominee of ICICI Bank Ltd)	100	0.01%	100	0.01%
	Mr.G.VETRIVEL (holding shares as nominee of ICICI Bank Ltd)	100	0.01%	100	0.01%
	MR.L.KRISHNAN (holding shares as nominee of IL&FS Financial Services Ltd)	100	0.01%	100	0.01%
	Total	700	0.07%	700	0.07%

V. INDEBTEDNESS

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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration			Dr.K.Baskaran MD	G. Prakash, MD
1	Gross salary			578432	612441
	(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			60000	0
	Total (A)	0		638432	612441
	Ceiling as per the Act				

B. Remuneration to other directors:

Sl.No	Name of the Directors	Particulars of Remuneration			
1	Independent Directors	0	0	0	
	Total (1)	0	0	0	
2	Other Non Executive Directors	Sitting fees (Rs.)	Commission (Rs.)	Others (Rs.)	Total (Rs.)
	Mr.Harmendar Singh, IAS	67500	0	0	67500
	Mr.Apurva Varma, IAS	37500	0	0	37500
	Ms.Pooja Kulkarni, IAS	45000	0	0	45000
	Mr. Rajesh Lakhoni, IAS	30000	0	0	30000
	Dr. D. Karthikeyan, IAS	15000	0	0	15000
	Mr.L.Krishnan	60000	0	0	60000
	Mr. Mathew Joseph	60000	0	0	60000
	Mr.G.Vetrivel	60000	0	0	60000
	Mr.Thallam Sreekumar	22500	0	0	22500
	Mr. Maddipatala Himadar	15000			15000
	Total (2)	412500	0	0	412500
	Total (B)=(1+2)	412500			412500
	Total Managerial Remuneration (A)+(B)	1663373	0	0	1663373
	Overall Cieling as per the Act.		0		

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

Sl.No	Particulars of Remuneration	Key Managerial Personnel		
1	Gross Salary	Company Secretary (in Rs.)		Total (in Rs.)
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Rs.6616022		Rs.6616022
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission as % of profit others, specify			
5	Others, please specify			
	Total	6616022		6616022

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

REPORT ON CSR ACTIVITIES CARRYOUT BY THE COMPANY DURING FINANCIAL YEAR 2020-21

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 and
- iii. Activities relating to promotion of healthcare including preventive healthcare, sanitation & disaster management and Contributions to State Disaster Management Authority.

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

In accordance with Section 135(1) of the Companies Act, 2013, every company having net worth of Rs. 500.00 crores or more or turnover of Rs. 1000.00 crores or more or a net profit of Rs. 5.00 crore or more during the immediately preceding financial year should constitute a Corporate Social Responsibility Committee of the Board. As per Section 135(1)(9) of the Companies (Amendment) Act, 2020, the requirement of constitution of the CSR shall not be applicable where the amount to be spent by a Company does not exceed Rs. 50.00 lakh and the functions of such committee shall be discharged by the Board of Directors. Based on the above, the constitution of CSR Committee does not arise for the Company.

iii. Prescribed CSR Expenditure:

The average net profit of the Company for the three preceding financial years (2017-18, 2018-19 and 2019-20) is Rs. 5.36 crores and accordingly a sum of Rs. 10.71 lakhs have to be spent towards CSR expenses during the financial year 2020-21. However, a sum of Rs. 28.07 lakhs have been spent towards CSR expenses for the financial year 2020-21, including the unspent amount for the financial years from 2014-15 to 2019-20.

iv. Details of CSR Expenditure during the financial year 2020-21

- a. Total amount to be spent for the financial year : 10.71 lakhs
 b. Amount unspent, if any : Nil
 c. Manner in which the amount spent during the financial year is detailed below:

S I. No.	CSR Activity or activity identified	Sector in which the project is covered	Locations	Amount outlay (budget)	Amount spent on the programs	Amount spent directly or through implementing agency
1	Promotion of healthcare including preventive healthcare, sanitation & disaster management	Contributions to State Disaster Management Authority (On account of COVID-19)	Chennai, Tamil Nadu	Rs.10.50 lakhs	Rs.28.07 lakhs	Contribution made to Tamil Nadu State Disaster Management Authority

v. A responsibility statement of the CSR Committee:

The Board of Directors 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/-

Dr.S.Swarna, IAS

Chairman and Managing Director

DIN. 01943187

Place : Chennai – 600 028

Date : 06.09.2021

SECRETARIAL COMPLIANCE REPORT

Name of the Company : Tamil Nadu Urban Infrastructure Financial Services Ltd
Corporate Identity Number : U67190TN1996PLC036865
Authorised Share Capital : Rs.20000000/-
Paid-up Capital : Rs.10007000/-

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, 2021. 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 2020-21 as stated in Annexure “B”.
3. The Board of Directors have met 4 (Four) times on 05/08/2020, 21/09/2020, 01/12/2020 & 22/02/2021 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 31/03/2020 was held on 01/12/2020 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. Under the provisions of Companies Act 2013, the appointment of Independent Directors including woman Directors are not applicable to this Company.
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. According to Section 177(9) 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.
9. 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.
10. 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.
11. As per the information provided to me, no duplicate share certificate has been issued during the period under review.
12. There were no requests for transfer of shares during the period under review.
13. The Company has followed the Companies (Declaration and Payment of Dividend) Rules, 2014.
14. The Company has complied Section 135 of Companies Act 2013 in respect of Corporate Social Responsibility.
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.

Place : Chennai

Date : 29/07/2021

Forms part of the Voluntary Secretarial Compliance Report dated 29/07/2021 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 29/07/2021 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 2020-21

- | | | |
|------------------|---------------------|--------------------------------|
| 1. Form DIR - 12 | filed on 17/07/2020 | under SRN R46102455/17/07/2020 |
| 2. Form MGT - 14 | filed on 14/08/2020 | under SRN R49755036/14/08/2020 |
| 3. Form MR - 1 | filed on 14/08/2020 | under SRN R49758444/14/08/2020 |
| 4. Form PAS - 6 | filed on 25/09/2020 | under SRN R59794677/25/09/2020 |
| 5. Form PAS - 6 | filed on 25/09/2020 | under SRN R59815548/25/09/2020 |
| 6. Form DIR - 12 | filed on 25/09/2020 | under SRN R59844415/25/09/2020 |
| 7. Form MGT - 14 | filed on 25/09/2020 | under SRN R59832980/25/09/2020 |
| 8. Form PAS - 6 | filed on 09/10/2020 | under SRN R66364001/09/10/2020 |
| 9. Form DIR - 12 | filed on 09/12/2020 | under SRN R74217290/09/12/2020 |

Place : Chennai

Date : 29/07/2021

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 2021, 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.

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021.

b) In the case of the Statement of Profit and Loss, of the Profits of the Company and the 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 management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, 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, 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.

Management's Responsibility 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 the 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 Management as on 31 March 2021 none of the directors are disqualified as on 31 March 2021 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 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, 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 Position.
 - ii. The Company does not have any material foreseeable losses from long-term contracts. including derivative contracts. Hence no provision has been created for the same.
 - 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

Membership Number: 210771

UDIN:21210771AAAACV8898

Place: Chennai

Date : 13.08.2021

Annexure A to the Independent Auditor's Report - 31 March 2021

Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date :

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 (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 (iii) 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 (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, 2021 and therefore, the provisions of the clause (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, 2021 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 (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(ix) of the Order are not applicable to the Company.
- (x). According to the Information and Explanations given to us, no Material Fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi). According to the Records of the Company examined by us, and Information and explanations given to us, the Company has paid/provided for Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii). As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause (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 (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 (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 Clause (xv) of the Order 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)

Place : Chennai
Date : 13.08.2021

Partner
Membership Number: 210771
UDIN:21210771AAAACV8898

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 2021 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 2021, 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 : 13.08.2021

Membership Number: **210771**

UDIN:21210771AAAACV8898

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 2021

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
		(₹)	
I. EQUITY AND LIABILITY			
Shareholders' Funds			
a. Share Capital	3	1,00,07,000	1,00,07,000
b. Reserves & Surplus	4	44,84,36,609	39,69,00,493
Non-Current Liabilities			
a. Long Term Borrowings		0	0
b. Deferred Tax Liabilities		0	0
c. Other Long-Term Liabilities		0	0
d. Long Term Provisions	5	1,57,30,030	1,45,80,559
Current Liabilities			
a. Trade Payables			
i. Due to Micro and Small Enterprises		0	0
ii. Due to Others		0	0
b. Other Current Liabilities	6	1,08,11,981	91,41,822
c. Short Term Provisions	7	16,16,897	5,17,392
Total		48,66,02,517	43,11,47,266
II. ASSETS			
1. Non-Current Assets			
a. Fixed Assets			
i. Tangible Assets	8	17,37,478	27,65,306
ii. Intangible Assets		0	0
iii. Capital work in progress		0	0
b. Non-current Investments	9	5,00,00,000	5,63,80,000
c. Deferred Tax Asset	19.7	53,99,837	53,30,987
d. Long-term Loans and Advances		0	0
e. Other Non-current Assets		0	0
2. Current Assets			
a. Current Investments	10	37,58,16,757	29,75,95,664
b. Inventories		0	0
c. Trade Receivables	11	1,84,314	1,98,37,865
d. Cash and Bank Balance	12	1,87,59,337	1,08,52,025
e. Short Term Loans and Advances	13	12,30,976	8,68,491
f. Other Current Assets	14	3,34,73,818	3,75,16,928
Total		48,66,02,517	43,11,47,266
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 annexed

For Ponraj & Co.

Chartered Accountants

Firm Reg. No. 002672S

Sd/-

CA. N. Raghuram

Partner

Membership No. 210771

Place : Chennai

Date : 13.08.2021

For and on behalf of the Board of Directors

Sd/-

P. Ponnaiah, IAS

Director

DIN No.09209271

Sd/-

S.Swarna, IAS

Chairman & Managing Director

Sd/-

DIN No.01943187

A.Jayaraman

Senior Vice President & Company Secretary

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

Particulars	Note No.	For the Year ended 31.03.2021	For the Year ended 31.03.2020
		(₹)	
I. Revenue from Operations	15	10,26,07,649	9,74,03,478
II. Other Income	16	3,45,99,047	3,11,03,075
III. Total Revenue (I+II)		13,72,06,696	12,85,06,553
IV. Expenses			
Employee Benefits	17	4,65,57,509	4,45,77,835
Finance Cost		0	0
Depreciation and amortization Expenses	8	14,41,863	27,87,563
Other Expenses	18	1,17,48,908	1,37,24,431
Total Expenses		5,97,48,280	6,10,89,829
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		7,74,58,416	6,74,16,724
VI. Exceptional Items		0	0
VII. Profit Before Extraordinary Items and Tax (V - VI)		7,74,58,416	6,74,16,724
VIII. Extraordinary Items		0	0
IX. Profit Before Tax (VII - VIII)		7,74,58,416	6,74,16,724
X. Tax Expense			
1. Current Tax		2,28,92,000	1,88,09,000
2. Prior Years Tax		97,050	2,26,010
3. Deferred Tax		(68,850)	2,25,774
XI. Profit for the year from continuing operations (IX - X)		5,45,38,216	4,81,55,940
XII. Earnings Per Share (Basic & Diluted)	19.6	54.50	48.12
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 annexed

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/-

P. Ponnaiah, IAS

Director

DIN No.09209271

Sd/-

S.Swarna, IAS

Chairman & Managing Director

DIN No.01943187

Sd/-

A.Jayaraman

Senior Vice President & Company Secretary

Place : Chennai

Date : 13.08.2021

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

	Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
		(₹)	
A.	Cash flow From Operating Activities		
	Profit before Tax	7,74,58,416	6,74,16,724
	Add: Depreciation	14,41,863	27,87,563
	Loss / (Profit) on sale of Fixed Assets	(13,091)	(1,226)
	Less: Interest Received	(3,43,14,985)	(3,07,83,030)
	Operating Profit before Working Capital Changes	4,45,72,203	3,94,20,031
	Adjustments for		
	Add: Increase in Current Liabilities and Decrease in Current Assets	2,56,48,015	8,19,321
	Less: Increase in Current Assets and Decrease in Current Liabilities	(6,33,040)	(4,07,41,712)
	Cash Generated from Operations	(6,95,87,178)	(5,02,360)
	Add : Income Tax Refund Received	25,25,220	37,20,760
	Less: Income Tax paid	(2,32,75,934)	(1,83,60,335)
	Net Cash from Operating Activities (A)	4,88,36,464	(1,51,41,935)
B.	Cash flow from Investing Activities		
	Interest Received	3,43,14,985	3,07,83,030
	Sale of Assets	18,306	6,019
	Purchase of Assets	(4,19,250)	(2,82,200)
	Less: Increase in Deposits and Loans & Advances	(7,18,41,093)	(65,05,000)
	Net Cash From Investing Activities (B)	(3,79,27,052)	2,40,01,849
C.	Cash Flow from Financing Activities		
	Dividend & Dividend Tax Paid	(30,02,100)	(36,19,191)
	Net Cash from Financing Activities (c)	(30,02,100)	(36,19,191)
D.	Net Increase in Cash and Cash Equivalents (A+B+C)	79,07,312	52,40,723
	Cash and Cash equivalents at the beginning of the Accounting period	1,08,52,025	56,11,302
	Cash and Cash equivalent at the end of the Accounting period	1,87,59,337	1,08,52,025
	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 annexed

For Ponraj & Co.

Chartered Accountants

Firm Reg. No. 002672S

Sd/-

CA. N. Raghuram

Partner

Membership No. 210771

Sd/-

P. Ponnaiah, IAS

Director

DIN No.09209271

Sd/-

S.Swarna, IAS

Chairman & Managing Director

DIN No.01943187

Sd/-

A.Jayaraman**Senior Vice President & Company Secretary**

Place : Chennai

Date : 13.08.2021

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 2021

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 31st March 2021

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

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 2021****Note 3: Share Capital**

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	In ₹	No. of Shares	In ₹
(a) Authorised Equity shares of ₹ 10 each with voting rights	20,00,000	2,00,00,000	20,00,000	2,00,00,000
(b) Issued, Subscribed and Fully paid-up Equity shares of ₹ 10 each with voting rights	10,00,700	1,00,07,000	10,00,700	1,00,07,000

(c) Equity Reconciliation

Particulars	Opening Balance 01.04.2020	Fresh issue	Closing Balance 31.03.2021
Equity shares with voting rights			
Year ended 31 st March, 2021			
- Number of shares (Face Value of ₹ 10 each)	10,00,700	0	10,00,700
- Amount (₹)	1,00,07,000	0	1,00,07,000
Year ended 31 st March, 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

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

Class of shares / Name of shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Equity shares with voting rights				
Government of Tamil Nadu	490000	48.97%	490000	48.97%
ICICI Bank Ltd	189986	18.99%	189986	18.99%
IL&FS Financial Services Ltd	170014	16.99%	170014	16.99%
Housing Development Financial Corporation Ltd	150000	14.99%	150000	14.99%

TAMIL NADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED

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 2021

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
	(₹)	
Note 4: Reserves and Surplus		
(a) General reserve		
Opening balance	4,53,99,667	4,05,83,667
Add: Transferred from surplus in Statement of Profit and Loss	54,54,000	48,16,000
Closing balance (a)	5,08,53,667	4,53,99,667
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	35,15,00,826	31,17,80,077
Add: Profit / (Loss) for the year	5,45,38,216	4,81,55,940
	40,60,39,042	35,99,36,017
Less:		
Dividends proposed to be distributed to Equity Shareholders (₹3 per share)	30,02,100	30,02,100
Tax on dividend	0	6,17,091
Transferred to General reserve	54,54,000	48,16,000
Closing balance (b)	39,75,82,942	35,15,00,826
Total (a + b)	44,84,36,609	39,69,00,493
Note 5: Long Term Provisions		
Provision for employee benefits:		
Provision for earned leave	1,28,41,385	1,23,81,705
Provision for gratuity	28,88,645	21,98,854
Total	1,57,30,030	1,45,80,559
Note 6: Other Current Liabilities		
Other payables		
(i) Statutory remittances	51,28,786	30,61,763
(ii) Contractually reimbursable expenses	55,58,188	59,55,052
(iii) Others	1,25,007	1,25,007
Total	1,08,11,981	91,41,822
Note 7: Short-term Provisions		
(a) Provision for employee benefits		
(i) Provision for earned leave	6,20,498	5,17,392
(ii) Others	0	0
(b) Provision - Others:		
(i) Provision for income tax (Net off payment)	9,96,399	0
(ii) Provision - others	0	0
Total	16,16,897	5,17,392

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 2021****Note 8 (a) : Fixed Assets - Current financial year 2019-21**

(in ₹)

Tangible Assets	Computer & Software's	Office Equipment	Furniture & Fixtures	Vehicles	Solar Energy System	Total
Gross Block						
Gross Block as at 01.04.2020	32,12,800	40,28,344	37,30,318	68,31,276	18,42,413	1,96,45,151
Additions during the year	2,34,000	1,85,250	0	0	0	4,19,250
Deductions during the year	2,21,550	3,00,000	0	0	0	5,21,550
Gross Block as at 31.03.2021	32,25,250	39,13,594	37,30,318	68,31,276	18,42,413	1,95,42,851
Depreciation						
Accumulated depreciation as at 01.04.2020	29,16,354	37,70,807	34,24,890	56,33,560	11,34,234	1,68,79,845
Depreciation for the year	2,41,921	1,93,993	1,06,658	5,19,778	3,79,513	14,41,863
Less: Depreciation on assets sold or written off during the year	2,19,335	2,97,000	0	0	0	5,16,335
Accumulated depreciation as at 31.03.2021	29,38,940	36,67,800	35,31,548	61,53,338	15,13,747	1,78,05,373
Net Block						
Net block as at 31.03.2021	2,86,310	2,45,794	1,98,770	6,77,938	3,28,666	17,37,478

Note 8 (b) : Fixed Assets - Previous financial year 2019-20

(in ₹)

Tangible Assets	Computer & Software's	Office Equipment	Furniture & Fixtures	Vehicles	Solar Energy System	Total
Gross Block						
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
Gross Block as at 31.03.2020	32,12,800	40,28,344	37,30,318	68,31,276	18,42,413	1,96,45,151
Depreciation						
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
Accumulated depreciation as at 31.03.2020	29,16,354	37,70,807	34,24,890	56,33,560	11,34,234	1,68,79,845
Net Block						
Net block as at 31.03.2020	2,96,446	2,57,537	3,05,428	11,97,716	7,08,179	27,65,306

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 2021

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
	Unquoted	
	(₹)	
Note 9: Non-current Investments		
Investments (At cost):		
A. Trade		
B. Other investments (Long Term)		
Investment in Debentures or Bonds of Other entities		
7.50% -10 years Unsecured Redeemable non convertible tax-free pooled finance development bonds of ₹ 0 (Previous year ₹ 20,000) each (319 numbers)	0	63,80,000
8.25% - 12-year Unsecured Redeemable Non- Convertible taxable pooled bonds of Rs.10,00,000/- each by Water and Sanitation Pooled Fund (50 numbers)	5,00,00,000	5,00,00,000
Total	5,00,00,000	5,63,80,000
Note 10: Current Investments		
Deposit with companies	37,58,16,757	29,75,95,664
Total	37,58,16,757	29,75,95,664
Note 11: Trade Receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	36,446	27,000
Other Trade receivables		
Unsecured, considered good	1,47,868	1,98,10,865
Total	1,84,314	1,98,37,865
Note 12: Cash and Bank Balances		
A) Cash and Cash Equivalents		
a) Cash on hand	0	0
b) Balance with Bank		
(i) Current Account	1,47,59,337	48,52,025
(ii) Cash Credit Account	0	0
(iii) Deposit with original maturity of less than 3 months	40,00,000	0
c) Cheques on hand	0	0
Total (a)	1,87,59,337	48,52,025
B) Other bank balances		
a) Term deposit with original maturity for more than 3 months but less than 12 months	0	60,00,000
b) Unpaid dividend	0	0
c) Term Deposits held as margin money against bank guarantee and other commitments	0	0
Total (b)	0	60,00,000
Total (a+b)	1,87,59,337	1,08,52,025

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 2021

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
	(₹)	
Note 13: Short-term Loans and Adva		
(a) Loans and advances to related parties	0	0
(b) Security deposits - 'Unsecured, considered good Telephone Deposit	16,750	16,750
(c) Loans and advances to employees - 'Unsecured, considered good' Festival Advance	5,39,000	3,23,650
Travelling and other advances	2,43,080	63,850
(d) Prepaid expenses – 'Unsecured, considered good'	4,22,146	4,54,241
(e) Others - 'Unsecured, considered good'	10,000	10,000
Total	12,30,976	8,68,491
Note 14: Other Current Assets		
(a) Accruals		
(i) Interest accrued on deposits	2,98,68,681	3,26,72,973
(ii) Interest accrued on investments	36,05,137	38,72,573
(b) Others		
Advance tax and TDS (net of provisions)	0	9,71,382
Total	3,34,73,818	3,75,16,928

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Note 15: Revenue from Operations		
Sale of Services - Revenue from Operations		
Appraisal fees	6,55,19,135	6,35,30,791
Supervision & recovery fees	3,63,81,502	3,32,63,908
Treasury Management Fees	2,07,012	1,32,805
Professional fees	5,00,000	4,75,974
GST collected	1,84,70,180	1,75,33,726
	12,10,77,829	11,49,37,204
Less: GST paid	1,84,70,180	1,75,33,726
Total	10,26,07,649	9,74,03,478

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 2021**

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
	(₹)	
Note 16: Other Income		
(a) Interest Income		
On Investments (Tax-free)	2,11,064	6,89,565
On Investments (Taxable)	41,25,000	41,25,000
On Term Deposits	2,99,78,921	2,59,68,465
(b) Other non-operating income		
Profit on sale of Fixed Assets	13,091	1,226
Miscellaneous Income	2,70,971	3,18,819
Total	3,45,99,047	3,11,03,075
Note 17: Employee Benefits		
Salaries and wages	3,90,37,103	3,77,47,320
Contributions to provident and other funds	72,66,736	65,58,600
Staff welfare expenses	2,53,670	48,180
Total	4,65,57,509	4,43,54,100
Note 18: Other Expenses		
Rent	34,12,575	32,50,350
Electricity	1,21,204	4,12,584
Repairs and maintenance - Others	3,86,474	2,84,787
Insurance	1,76,889	2,12,480
Rates and taxes	21,256	25,742
Communication	5,04,653	5,80,256
Travelling and conveyance	15,52,843	43,11,714
Printing and stationery	2,47,581	2,92,754
Legal and professional charges	1,21,200	1,45,600
Payments to auditors - Audit fees	80,000	80,000
- Tax audit fees	20,000	20,000
- GST audit fees	40,000	15,000
Office Expenses	13,25,753	20,47,993
Directors sitting fees	4,72,500	5,10,000
Security Charges	2,91,600	2,89,400
Miscellaneous expenses	1,67,380	2,41,395
CSR Expenses	28,07,000	10,04,376
Total	1,17,48,908	1,37,24,431

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 2021****Note 19: Additional information to the financial statements**

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
	(₹)	
19.1 Contingent liabilities and commitments (to the extent not provided for)	0	0
19.2 Amount due to MSME Units	0	0

Employee benefit plans**19.3: Defined contribution plans**

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

19.4: Defined benefit plans

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

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

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

₹ in lakhs

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
a. Changes in present value of obligations		
Present Value of Obligations – opening balance	147.92	118.06
Interest Cost	9.47	8.99
Current Service Cost	10.26	15.00
Benefits paid	(5.41)	0
Actuarial (gain)/loss on obligations	18.29	5.87
Present Value of Obligations – closing balance	180.53	147.92
b. Changes in fair value of plan assets		
Fair Value of plan assets – opening balance	125.93	94.76
Expected return on plan assets	9.17	8.13
Contributions	22.57	23.82
Benefits Paid	(5.41)	0
Actuarial (gain)/loss on plan assets	(0.61)	(0.78)
Fair value of plan assets – closing balance	151.65	125.93

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 2021

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

₹ in lakhs

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Present Value of Obligations as at the end of the year	180.53	147.92
Fair value of plan assets at the end of the year	151.65	125.93
Liability recognized in the Balance Sheet	28.88	21.99

d. Principal Assumptions used in determining post-employment benefit

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Discount Rate	7.09%	6.82%
Salary Escalation	12.76%	11.00%

e. Investment details of plan assets

Gratuity liability as on 31.03.2021 is Rs.180.53 lakhs. Of which Rs.151.65 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.28.88 lakhs is recognized in the books of accounts of the company.

19.6: Earnings Per Share

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
	(₹)	
Profit After Tax	5,45,38,216	4,81,55,940
Number of Equity Shares	100070	1000700
Earning Per Share		
Basic	54.50	48.12
Diluted	54.50	48.12

19.7: Deferred Tax

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
	(₹)	
Deferred tax arising out of -		
(i) Depreciation	16,54,741	17,42,458
(ii) Employee Benefits	37,45,096	35,88,529
	53,99,837	53,30,987

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 2021**

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
	(₹)	
19.8 Expenditure in foreign currency	0	0
19.9 Earnings in foreign currency	0	0

20: Proposed Dividend

The Board of Directors has recommended a dividend of ₹ 3/- per share (30% on paid-up equity share capital) for the year ended 31st March 2021 (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, 2021 and consequently not reported the same under Other Liabilities and Provisions as of March 31, 2021.

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 annexed

For Ponraj & Co.

Chartered Accountants
Firm Reg. No. 002672S

For and on behalf of the Board of Directors

Sd/-

CA. N. Raghuram

Partner

Membership No. 210771

Sd/-

P. Ponnaiah, IAS

Director

DIN No.09209271

Sd/-

S.Swarna, IAS

Chairman & Managing Director

DIN No.01943187

Sd/-

A.Jayaraman

Senior Vice President & Company Secretary

Place : Chennai

Date : 13.08.2021

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 2020-21

1. Background

Water and Sanitation Pooled Fund (WSPF) is 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 implement by Urban Local Bodies and Statutory Boards. 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 12AB 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 the officials of Government of Tamil Nadu as detailed below:

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

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

4. Resource mobilization

- A sum of Rs.807.40 crores has been mobilized through issue of bonds and other borrowings, of which a sum of Rs.326.63 crores has been repaid and balance as on 31.03.2021 is Rs.444.77 crores. The details are furnished below:

The details are furnished below:--

Sl. No	Source	Amount mobilized	Repayments made	Balance as on 31.03.2021	Balance as on 31.03.2020
		(Rs. in Crores)			
1	Bond issues under Period Finance framework.	302.30	191.70	110.60	135.26
2	Loan availed from Tamil Nadu Urban Development Fund for National River Conservation Project (NRCP)	93.99	91.70	2.29	2.80
3	Subordinated Loan under KfW assisted SMIF-TN program through Government of Tamil Nadu	111.11	0	111.11	111.11
4	Loan availed form HUDCO	300.00	79.23	220.77	237.45
	Total	807.40	362.63	444.77	486.62

- A sum of Rs. 302.30 crores have been mobilized by issue of bonds in 6 times under pooled bond framework. The amount mobilized from the issue of bonds have been disbursed as loan to Urban Local Bodies (ULB) for implementation of various infrastructure projects. All the bond service payments have been honored on the respective due date(s) during the financial year 2020-21.
- 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 National River Conservation Projects (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 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 2020-21.

- A sum of Rs.111.11 crores has been availed as on 31.03.2021 under KfW assisted SMIF-TN program through Government of Tamil Nadu. Of the above, a sum of Rs.103.85 crores has been disbursed as loan to Urban Local Bodies (ULB) for implementation of various infrastructure projects. All the debt service payments have been honored on the respective due date(s) during the financial year 2020-21.
- The Government vide G.O. (Ms) No.58, MA & WS (WS1) Department, dated 16.05.2014 issued orders to avail loan of Rs.300.00 crores 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 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 2020-21.

5. Financial assistance to ULBs

The net financial assistance provided for implementation urban infrastructure projects is Rs.441.35 crores (7 Municipal Corporations, 22 Municipalities and CMWSSB) as on 31.03.2021 as against Rs.484.21 crores as on 31.03.2020.

6. Accounts and Audit

The Accounts for the financial year 2020-21 have been audited by M/s. N. Raja & Associates, Chartered Accountants, Chennai. A copy of the Audited Annual Accounts is enclosed in the Annexure.

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, which comprise the balance sheet at March 31st 2021, and the Income & Expenditure account, Receipts and Payments accounts 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 March 31, 2021, 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 ethical requirements that are relevant to our audit of the financial statements of the entity, 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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, 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.
- 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 Trust'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 Trust to cease to continue as a going concern.

We communicate with TRUST's management 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.

For **N.Raja & Associates,**
Chartered Accountants
Firm No.003388S
Sd/-
(N. Raja)
Membership No.022890

Place: Chennai
Date: 13.08.2021

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 31.03.2021

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
		(₹)	
SOURCES OF FUNDS			
1 Capital Fund			
a. Contribution by Settlor		10,000	10,000
2 Other Funds			
a. Government Grant Account	1	189,00,33,112	172,76,31,379
b. Loans Borrowed	2	444,77,51,632	4,86,61,86,265
3 Current Liabilities	3	22,81,07,015	19,02,89,234
TOTAL		656,59,01,759	678,41,16,878
APPLICATION OF FUNDS			
4 Loans Disbursed	4	441,34,85,653	484,21,29,725
5 Current Assets	5	215,24,16,106	194,19,87,153
TOTAL		656,59,01,759	678,41,16,878
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/-
S.Swarna, IAS
Member Secretary

Sd/-
Shiv Das Meena, IAS
Chairman

Place : Chennai
Date : 13.08.2021

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 31.03.2021

Particulars	Note No.	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
		(₹)	
INCOME			
1 Interest on Loans Disbursed	6	40,18,51,714	44,07,99,209
2 Other Income	7	1,03,01,088	1,12,54,109
TOTAL		41,21,52,802	45,20,53,318
EXPENDITURE			
3 Interest on Loans Borrowed	8	40,18,51,714	44,07,99,209
4 Other Expenses	9	1,03,01,088	1,12,54,109
TOTAL		41,21,52,802	45,20,53,318
5 Excess of Income over Expenditure		0	0
6 Excess of Income over Expenditure brought forward from the previous year		0	0
7. Balance in the Income over expenditure carried forwards to Balance Sheet		0	0
Notes including Significant Accounting Policies 1 to 11			

The notes referred 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/-

S.Swarna, IAS

Member Secretary

Sd/-

Shiv Das Meena, IAS

Chairman

Place : Chennai

Date : 13.08.2021

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 31.03.2021

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
	(₹)	
Opening balances:		
- 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
Total (A)	97,56,28,166	134,70,61,413
Receipts:		
Loan Installments Received - Principal	25,67,89,439	27,10,54,175
Loan Installments Received - Interest	18,34,97,429	15,53,81,453
Grant from Government of Tamil Nadu	52,02,77,805	32,65,47,730
Interest on deposits	11,41,08,646	13,47,33,799
Income Tax Refund received	2,44,850	17,970
Total (B)	107,49,18,169	88,77,35,127
Total (A) +(B)	205,05,46,335	223,47,96,540
Payments:		
Redemption of Bonds	21,65,80,000	62,45,80,000
Interest on Bonds	11,23,80,300	17,53,56,000
Repayment of HUDCO Loan	16,68,00,000	16,68,00,000
Interest on HUDCO Loan	24,73,58,205	26,58,67,330
Interest on Subordinated Loan (SMIF TN Program)	77,89,132	77,89,132
Deposit Placed with Financial Institutions	36,34,65,421	74,75,831
Other Expenses	1,02,82,028	1,13,00,081
Total (C)	112,46,55,086	125,91,68,374

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 31.03.2021

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
	(₹)	
Closing balances: Cash & Cash Equivalents		
-Cash on hand	0	0
-Balance in Savings Bank Accounts with Banks	1,81,30,070	65,95,162
-Balance in Public Deposit Accounts with Banks	27,64,92,036	7,26,03,500
-Balance in Term Deposit Accounts with Banks	63,12,69,143	89,64,29,504
Total (D) (A+B-C)	92,58,91,249	97,56,28,166

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/-
S.Swarna, IAS
Member Secretary

Sd/-
Shiv Das Meena, IAS
Chairman

Place : Chennai
Date : 13.08.2021

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 31.03.20

Particulars	As at 31.03.2021	As at 31.03.2020
	(₹)	
<u>Note 1: Government Grant Account</u>		
Government of Tamil Nadu Grant Account	76,79,04,778	68,61,93,164
Cash Collateral for bond issues	60,36,55,650	56,12,73,335
Credit Rating Enhancement Fund	51,84,72,684	48,01,64,880
Total	189,00,33,112	172,76,31,379
<u>Note 2: Loans Borrowed</u>		
7.50% 10 year Tax Free Pooled Finance Development Bonds	0	14,45,80,000
8.71% 10 year Taxable Pooled Bonds (Guranteed by Government of Tamil Nadu)	30,60,00,000	40,80,00,000
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)	220,77,00,000	237,45,00,000
NRCP / NLCP Loan	2,28,97,197	2,79,51,830
Total	444,77,51,632	486,61,86,265
<u>Note 3: Current Liabilities</u>		
Interest payable on bonds	8,15,60,001	9,56,77,108
Interest payable on HUDCO loan	1,70,62,799	2,15,78,675
Interest payable on Subordinated Loan	1,13,70,430	84,66,290
Interest payable on NRCP / NLCP Loan	4,73,813	5,84,438
Other Liabilities	9,00,51,460	6,00,32,400
Received in advance from ULBs	2,75,88,512	39,50,323
Total	22,81,07,015	19,02,89,234
<u>Note 4: Loans Disbursed</u>		
Loans Disbursed to ULBs	4,39,05,88,456	481,41,77,895
Other Loans	2,28,97,197	2,79,51,830
Total	441,34,85,653	484,21,29,725

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 31.03.20

Particulars	As at 31.03.2021	As at 31.03.2020
	(₹)	
Note 5: Current Assets		
a) Cash & Cash Equivalents:		
Balances with Scheduled Banks		
- in Savings Bank Accounts	1,81,30,070	65,95,162
- in Public Deposit Accounts	27,64,92,036	7,26,03,500
- in Term Deposit Accounts	63,12,69,143	89,64,29,504
b) Current Investments		
- Term Deposits with Financial Institutions	107,86,17,611	71,51,52,190
c) Other Current Assets		
- Interest Accrued on Deposits	8,74,11,232	7,95,79,190
- Interest Accrued on Loans Disbursed to ULBs	3,03,53,887	3,34,37,292
- Interest Accrued on Public Deposit	1,13,70,430	84,66,290
- Interest Accrued on Other Loans	4,73,813	5,84,438
- Amount receivable from Government	1,70,62,799	12,76,98,275
- Tax Deducted at source	12,35,085	14,41,312
Total	215,24,16,106	194,19,87,153
Note 6: Interest earned on Loans Disbursed		
Interest earned on Loans to ULBs	37,20,91,124	43,57,08,810
Interest earned on Other Loans	22,33,550	50,90,399
Conversion Charges on HUDCO Loan received	2,75,27,040	0
Total	40,18,51,714	44,07,99,209
Note 7: Other Income		
Other Income	1,03,01,088	1,12,54,109
Total	1,03,01,088	1,12,54,109
Note 8: Interest on Loans Borrowed		
Interest on bonds issued	9,82,63,193	13,41,81,451
Interest on Subordinated Loan (SMIF TN Program)	77,89,132	77,89,132
Interest on other Loans Borrowed	26,82,72,349	29,88,28,626
Conversion Charges paid to HUDCO	2,75,27,040	0
Total	40,18,51,714	44,07,99,209
Note 9: Other Expenses		
Management Fee	40,90,973	45,58,111
Government Guarantee Fee	55,30,000	60,40,000
Other operating expenses	6,80,115	6,55,998
Total	1,03,01,088	1,12,54,109

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 31.03.20

Note 10: Significant Accounting Policies

a. Basis of Accounting

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

b. Investments

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

c. Income Recognition

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

d. Expenditure

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

e. Borrowing Costs

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

Note 11: Notes on Accounts

a. Formation

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

WATER AND SANITATION POOLED FUND

(Trust of Government of Tamil Nadu)

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.20

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 31.03.20

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.191.70 crores (of which Rs.24.66 crores during the financial year 2020-21) has been redeemed. The principal bond balance as on 31.03.2021 is Rs.110.60 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/-
S.Swarna IAS
Member Secretary

Sd/-
Shiv Das Meena, IAS
Chairman

Place : Chennai
Date : 13.08.2021

PROJECT SUSTAINABILITY GRANT FUND

Report on the Activities and Annual Accounts of Project Sustainability Grant Fund for the FY 2020-21

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 and ADB through annual budgetary allocation, based on the lines of credit in operation and such other funding which may be availed, from time to time.
- ii. 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.
- iii. 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 Cheif Secretary to Government, MA & WS Department,
- Special Secretary to Government, Finance Department and
- Chairman & Managing Director, TNUIFSL

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 ₹ 432.59 crores has been received from Government and a sum of ₹ 519.55 crores has been disbursed to various ULBs during the financial year 2020-21. The details are furnished below:-

(₹) in Crores		
Details	Financial Year 2020-21	Financial Year 2019-20
Balance of Fund as on 1 st April	565.88	438.90
Add: Grant received from GoTN	432.59	425.00
Add: Excess of Income over Expenditure	1.50	4.33
TOTAL	999.97	868.23
Less: Grant Disbursements	519.55	302.35
Balance of Fund as on 31 st March	480.42	565.88

9. Accounts and Audit

The Annual Accounts for the financial year 2020-21 have been audited by M/s. P.M.M. Associates, Chartered Accountants, Chennai. A copy of the audited accounts for the financial year 2020-21 is enclosed.

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of **Project Sustainability Grant Fund** (the entity), the Grand Fund of Government Tamil Nadu which comprise the Balance Sheet as at 31st March 2021, and the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31st March 2021, 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

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 : 13.08.2021

Membership No. 022683
UDIN:21022683AAAAEK7044

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 : nramaraj11@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 31st MARCH 2021

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
		(₹)	
Sources of Funds			
Grant from Government	1	480,41,65,776	565,87,64,210
Current Liabilities	2	3,18,145	59,400
Total		480,44,83,921	565,88,23,610
Application of Funds			
Current Assets	3		
a. Cash and Cash Equivalents		392,58,26,879	503,44,90,829
b. Term Deposit with Companies		76,63,92,440	59,89,66,400
c. Other Current Assets		11,22,64,602	2,53,66,381
Total		480,44,83,921	565,88,23,610
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/-

P. Ponniah, IAS

Director

Sd/-

S. Swarna, IAS

Chairman & Managing Director

Place: Chennai

Date: 13.08.2021

(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 31st MARCH 2021

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
	(₹)	
Income		
Interest earned		
On Savings Bank Account	61,45,488	31,91,212
On Deposit Accounts	5,17,63,000	7,52,32,145
Total	5,79,08,488	7,84,23,357
Expenditure		
Management Fee & Other Charges	4,28,02,022	3,50,34,790
Audit Fee – Statutory Audit	64,900	64,900
Total	4,28,66,922	3,50,99,690
Excess of Income over Expenditure transferred to Grant from Government	1,50,41,566	4,33,23,667
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/-

P. Ponniah, IAS

Director

Sd/-

S. Swarna, IAS

Chairman & Managing Director

Place: Chennai

Date: 13.08.2021

(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 31.03.2021

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
	(₹)	
Receipts		
Grant from Government	432,59,00,000	425,00,00,000
Interest Receipts	4,99,54,778	8,54,12,966
Other Receipts from TNUDF	0	40,27,030
Other Receipts from WSPF	0	2,59,19,472
Total	437,58,54,778	436,53,59,468
Payments		
Grant Disbursements to Urban Local Bodies	519,55,40,000	302,35,00,000
Other Payments to TNUDF	99,78,961	0
Other Payments to WSPF	6,89,65,550	0
Term Deposit with Companies	16,74,26,040	16,90,37,872
Management Fee & Other Charges	4,25,44,652	3,50,34,790
Audit Fees	59,400	59,400
TDS on Audit Fees	4,125	5,500
TDS Under GST	0	2,51,668
Total	548,45,18,728	322,78,89,230
Surplus / (Deficit) for the period	110,86,63,950	113,74,70,238
Add: Opening Cash and Bank Balances	503,44,90,829	389,70,20,591
Closing Cash & Bank Balances	392,58,26,879	503,44,90,829

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/-

P. Ponniah, IAS

Director

Sd/-

S. Swarna, IAS

Chairman & Managing Director

Place: Chennai

Date: 13.08.2021

**(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 31.03.20

Particulars	As at 31 st March 2021	As at 31 st March 2020
	(₹)	
Note-1 : Grant from Government		
Balance at the beginning of the year	565,87,64,210	438,89,40,543
Add: Grant assistance received during the year	432,59,00,000	425,00,00,000
Excess of Income over Expenditure carried from Income & Expenditure Account	1,50,41,566	4,33,23,667
	999,97,05,776	868,22,64,210
Less: Disbursements to ULBs during the year	519,55,40,000	302,35,00,000
Total	480,41,65,776	565,87,64,210
Note-2 : Current Liabilities		
Audit Fee payable	60,775	59,400
TDS payable under GST	2,57,370	0
Total	3,18,145	59,400
Note-3 : Current Assets		
a. Cash and Cash Equivalents		
i. in Savings Bank Account with Banks	10,19,66,929	33,78,43,879
ii. in Deposit Account with Banks	49,50,00,000	18,50,00,000
iii. in Public Deposit Account with Banks	332,88,59,950	451,16,46,950
	392,58,26,879	503,44,90,829
b. Term Deposit with Companies	76,63,92,440	59,89,66,400
	76,63,92,440	59,89,66,400
c. Other Current Assets		
i. Accrued Interest on Deposits	2,68,20,091	1,88,66,381
ii. Receivable from TNUDF	1,15,40,740	15,61,779
iii. Receivable from WSPF	7,39,03,771	49,38,221
	11,22,64,602	2,53,66,381
Total	480,44,83,921	565,88,23,610

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 31.03.20

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) Grant Fund of Government of Tamil Nadu, 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 31.03.20

e. Grant from Government Account

The balance in Grant from Government Account represents the net of grants received from the Government of Tamil Nadu, 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 31.03.20

(₹ in Crores)

S.No.	Source of Funds	FY 2020-21		FY 2019-20	
		Grant Received	Grant Disbursed	Grant Received	Grant Disbursed
I.	IBRD Line of Credit				
1.	Tamil Nadu Urban Development Project III	0	1.38	0	1.34
2.	TamilNadu Sustainable Urban Development Project	225.00	189.35	125.00	103.35
II.	KFW Line of Credit				
1.	Sustainable Municipal Infrastructure Financing in Tamil Nadu - Phase-II-Part-1	7.59	53.42	0	27.79
2.	Sustainable Municipal Infrastructure Financing in Tamil Nadu - Phase-II-Part-2	50.00	68.40	50.00	59.73
III.	JICA Line of Credit				
1.	Tamil Nadu Urban Infrastructure Project	0	0	0	0.14
IV	ADB Line of Credit				
1.	Tamil Nadu Urban Flagship Investment Program-Tranche-1	50.00	107.00	250.00	110.00
2.	Tamil Nadu Urban Flagship Investment Program-Tranche-2	100.0	100.00	0	0
	Total (I+II+III+IV)	432.59	519.55	425.00	302.35

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

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Place: Chennai

Date: 13.08.2021

For and on behalf of the Board of Directors

Sd/-

P. Ponniah, IAS

Director

Sd/-

S. Swarna, IAS

Chairman & Managing Director

**(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 2020-21

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 to 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 and ADB through annual budgetary allocation, based on the lines of credit in operation and such other funding which may be availed, from time to time.

- ii. 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.
- iii. 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
- Chairman & Managing Director, TN UIFSL.

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 ₹ 33.00 crores has been received from Government and a sum of ₹20.20 crores has been disbursed to various consultancy assignments during the financial year 2020-21. The details are furnished below:

(₹) in Crores

Details	Financial Year 2020-21	Financial Year 2019-20
Balance of Fund as on 1st April	98.76	97.09
Add: Grant received from GoTN	33.00	7.00
Add: Excess of Income over Expenditure	6.29	6.60
TOTAL	138.05	110.69
Less: Grant Disbursements	20.20	11.93
Balance of Fund as on 31st March	117.85	98.76

9. Accounts and Audit

The Annual Accounts for the financial year 2020-21 have been audited by M/s.P.M.M.Associates, Chartered Accountants, Chennai. A copy of the audited accounts for the financial year 2020-21 is enclosed.

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of **Project Development Grant Fund** (the entity), the Grant Fund of Government of Tamil Nadu, which comprise the Balance Sheet as at 31st March 2021, the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31st March 2021, and of its financial performance and its Receipts and Payments Account for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the entity's financial reporting 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: 13.08.2021

Membership No. 022683
UDIN:21022683AAAAEL2054

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 31.03.2021

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
		(₹)	
Sources of Funds			
Grant from Government	1	117,84,54,231	98,76,03,934
Current Liabilities	2	23,53,973	14,29,400
Total		118,08,08,204	98,90,33,334
Application of Funds			
Current Assets	3		
a. Cash and Cash Equivalents		38,85,91,825	40,32,63,932
b. Current Investments		70,93,51,217	54,62,51,217
c. Other Current Assets		8,28,65,162	3,95,18,185
Total		118,08,08,204	98,90,33,334
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/-

P.Ponniah, IAS

Director

Sd/-

S.Swarna, IAS

Chairman & Managing Director

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

Place : Chennai

Date : 13.08.2021

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 31.03.2021

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
	(₹)	
Income		
Interest earned		
On Savings Bank Account	7,64,295	3,78,281
On Deposit Accounts	6,45,60,723	6,71,16,375
Total	6,53,25,018	6,74,94,656
Expenditure		
Management Fee & Other Charges	23,66,843	14,29,639
Audit Fee – Statutory Audit	64,900	64,900
Total	24,31,743	14,94,539
Excess of Income over Expenditure transferred to Grant from Government	6,28,93,275	6,60,00,117
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

For and on behalf of the Board of Directors

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Sd/-

P.Ponniah, IAS

Director

Sd/-

S.Swarna, IAS

Chairman & Managing Director

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

Place : Chennai

Date : 13.08.2021

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 31.03.2021

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
	(₹)	
Receipts		
Grant from Government	33,00,00,000	7,00,00,000
Interest Receipts	2,19,78,041	5,47,86,118
Earnest Money Deposit	55,000	0
Term Deposit with Companies	0	18,46,19,173
Total	35,20,33,041	30,94,05,291
Payments		
Grant Disbursements	20,20,42,978	11,93,45,595
Management Fee & Other Charges	14,98,645	14,29,639
Audit Fees	59,400	59,400
Earnest Money Deposit	0	1,40,000
TDS on Audit Fees	4,125	5,500
TDS Under GST	0	3,37,311
Term Deposit with Companies	16,31,00,000	0
Total	36,67,05,148	12,13,17,445
Surplus / (Deficit) for the period	1,46,72,107	18,80,87,846
Add: Opening Cash and Bank Balances	40,32,63,932	21,51,76,086
Closing Cash & Bank Balances	38,85,91,825	40,32,63,932

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/-

P.Ponniah, IAS

Director

Sd/-

S.Swarna, IAS

Chairman & Managing Director

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

Place : Chennai

Date : 13.08.2021

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 31.03.20

Particulars	As at 31 st March 2021	As at 31 st March 2020
	(₹)	(₹)
Note-1		
Grant from Government		
Balance at the beginning of the year	98,76,03,934	97,09,49,412
Add: Grant assistance received during the year	33,00,00,000	7,00,00,000
Excess of Income over Expenditure carried from Income & Expenditure Account	6,28,93,275	6,60,00,117
	138,04,97,209	110,69,49,529
Less: Grant Disbursements made during the year	20,20,42,978	11,93,45,595
Total	117,84,54,231	98,76,03,934
Note-2		
Current Liabilities		
Audit Fee payable	60,775	59,400
Other Liabilities	14,25,000	13,70,000
TDS payable under GST	8,68,198	0
Total	23,53,973	14,29,400
Note-3		
Current Assets		
a.Cash and Cash Equivalents		
i. In Savings Account	2,84,64,379	3,16,93,507
ii. In Deposit Account	8,15,57,021	23,70,00,000
iii. In Public Deposit Account	27,85,70,425	13,45,70,425
	38,85,91,825	40,32,63,932
b.Current Investments		
i. Term Deposit with Companies	70,93,51,217	54,62,51,217
	70,93,51,217	54,62,51,217
c.Other Current Assets		
i. Accrued interest on Deposits	8,28,65,162	3,95,18,185
	8,28,65,162	3,95,18,185
Total	118,08,08,204	98,90,33,334

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 31.03.20

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

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 31.03.20

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 2020-21		FY 2019-20	
		Grant Received	Grant Disbursed	Grant Received	Grant Disbursed
I.	IBRD Line of Credit				
1.	Tamil Nadu Urban Development Project	15.00	8.47	5.00	3.26
II.	KFW Line of Credit				
1.	Sustainable Municipal Infrastructure Financing in Tamil Nadu - Phase-II-Part-2	0.00	0.03	0.00	0.19
III	ADB Line of Credit				
1.	Tamil Nadu Urban Flagship Investment Program-Tranche-1	15.00	8.11	2.00	4.06
2.	Tamil Nadu Urban Flagship Investment Program-Tranche-2	3.00	1.35	0.00	0.00
IV	GoTN Fund	0.00	2.24	0.00	4.42
	Total (I+II+III+IV)	33.00	20.20	7.00	11.93

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

Sd/-

N. Ramaraj

Partner

Membership No: 022683

Place: Chennai

Date: 13.08.2021

For and on behalf of the Board of Directors

Sd/-

P. Ponniah, IAS

Director

Sd/-

S.Swarna, IAS

Chairman & Managing Director

(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 2020-21

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 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 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

A sum of Rs.390.56 crores has been received from Government as grant during the financial year 2020-21 and a sum of Rs.465.39 crores has been disbursed to various ULBs during the financial year 2020-21. The details are furnished below : (₹) in Crores

Details	Financial Year 2020-21	Financial Year 2019-20
Balance of Fund as on 1 st April	327.37	295.21
Add: Grant received from GoTN	390.56	409.82
Add: Excess of Income over Expenditure	19.65	21.87
TOTAL	737.58	726.90
Less: Disbursements to ULBs	465.39	399.53
Balance of Fund as on 31 st March	272.19	327.37

9. Accounts and Audit

The Annual Accounts for the financial year 2020-2021 have been audited by M/s. P.M.M Associates, Chartered Accountants, Chennai – 600 061. A copy of the audited annual Accounts for the financial year 2020-21 is enclosed.

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of TAMILNADU URBAN ROAD INFRASTRUCTURE Fund (the entity), the Grand Fund of Government of Tamil Nadu, which comprise the Balance Sheet as at 31st March 2021, the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31st March 2021, and of its financial performance and its the Receipts and Payments Account for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

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

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

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

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

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

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: 13.08.2021

Membership No. 022683
UDIN:21022683AAAAEN136

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 31.03.2021

Particulars	Note No.	As at 31 st March 2021	As at 31 st March 2020
		(₹)	
Sources of Funds			
Grant from Government	1	272,19,31,468	327,36,70,456
Current Liabilities	2	1,86,246	23,600
Total		272,21,17,714	327,36,94,056
Application of Funds			
Current Assets			
a. Cash and Cash Equivalents	3	84,29,72,820	165,80,08,000
b. Term Deposit with Companies		173,04,42,015	153,32,97,743
c. Other Current Assets		14,87,02,879	8,23,88,313
Total		272,21,17,714	327,36,94,056
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/-

P. Ponniah, IAS

Director

Sd/-

S. Swarna, IAS

Chairman & Managing Director

Place : Chennai

Date : 13.08.2021

(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 31.03.2021

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
	(₹)	
Income		
Interest earned		
On Savings Bank Account	68,23,503	98,55,991
On Deposit Accounts	19,02,23,118	20,93,81,674
Total	19,70,46,621	21,92,37,665
Expenditure		
Management Fee	5,49,158	4,71,454
Audit Fee – Statutory Audit	23,600	23,600
Total	5,72,758	4,95,054
Excess of Income over Expenditure transferred to Grant from Government	19,64,73,863	21,87,42,611
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/-

P. Ponniah, IAS

Director

Sd/-

S. Swarna, IAS

Chairman & Managing Director

Place : Chennai

Date : 13.08.2021

**(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 31.03.2021

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
	(₹)	
Receipts		
Grant from Government	390,56,51,949	409,82,20,662
Interest Receipts	13,07,32,055	17,76,15,359
Total	403,63,84,004	427,58,36,021
Payments		
Disbursements to Urban Local Bodies	465,38,64,800	399,53,44,000
Management Fee	3,86,512	4,73,394
Audit Fees	23,600	23,600
Term Deposit with Companies	19,71,44,272	47,05,21,310
Total	485,14,19,184	446,63,62,304
Surplus / (Deficit) for the year	(81,50,35,180)	(19,05,26,283)
Add: Opening Cash and Bank Balances	165,80,08,000	184,85,34,283
Closing Cash & Bank Balances	84,29,72,820	165,80,08,000

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/-

P. Ponniah, IAS

Director

Sd/-

S. Swarna, IAS

Chairman & Managing Director

Place : Chennai

Date : 13.08.2021

(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 31.03.20

Particulars	As at 31 st March 2021	As at 31 st March 2020
	(₹)	
Note-1 :		
Grant from Government		
Balance at the beginning of the year	327,36,70,456	295,20,51,183
Add: Grant assistance received during the year	390,56,51,949	409,82,20,662
Excess of Income over Expenditure carried from Income & Expenditure Account	19,64,73,863	21,87,42,611
	737,57,96,268	726,90,14,456
Less: Disbursements to ULBs during the year	465,38,64,800	399,53,44,000
Total	272,19,31,468	327,36,70,456
Note-2 :		
Current Liabilities		
Audit Fee payable	23,600	23,600
TDS payable under Income Tax	10,222	0
TDS payable under GST	4,556	0
AMC Fees Payable	1,47,868	0
Total	1,86,246	23,600
Note-3 :		
Current Assets		
a. Cash and Cash Equivalents		
i. in Savings Bank Account with Banks	34,75,72,820	45,63,37,123
ii. in Deposit Account with Banks	49,54,00,000	120,16,70,877
	84,29,72,820	165,80,08,000
b. Term Deposit with Companies	173,04,42,015	153,32,97,743
c. Other Current Assets		
Interest accrued on Deposits	14,87,02,879	8,23,88,313
Total	272,21,17,714	327,36,94,056

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 31.03.20

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 Government vide G.O.Ms.No.45, Municipal Administration & Water Supply (M.A.3) Department dated 09.04.2013 has approved the fee @ 0.01% for the disbursement made.

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 31.03.20

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.

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/-

P. Ponniah, IAS

Director

Sd/-

S. Swarna, IAS

Chairman & Managing Director

Place : Chennai

Date : 13.08.2021

**(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 2020-21

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 (CMCDF) 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, Municipal Administration and Water Supply Department (Chairman),
- Secretary to Government (Expenditure), Finance Department (Member),
- Chairman 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

8.1. For the Financial Year 2020-21

A sum of ₹ 600.00 crores has been received form Government and a sum of ₹ 381.22 crores has been disbursed to GCC and CMWSSB during the financial year 2020-21. The details are furnished below:

(₹ in Crores)

Details	Financial Year 2020 - 21	Financial Year 2019-20
Balance of Fund as on 1st April	104.77	464.34
Add : Grant received from GoTN	600.00	0.00
Total	704.77	464.34
Less : Grant Disbursements	381.22	359.06
Excess of Expenditure over Income	0.52	0.51
Balance of fund as on 31st March	323.03	104.77

8.2 From the Financial Year 2011-12 to 2020-21

The Project Sanctioning Committee has sanctioned sub-projects costing ₹ 9,054.38 crores implemented by GCC and CMWSSB for the Financial Year 2011-12 to 2015-16 and 2018-19 to 2020-21, for which a grant of ₹ 3,999.63 crores has been committed (₹ 3,991.73 crores for projects and ₹ 7.90 crores for fees and consultancy). Of the above, a sum of ₹ 2,876.98 crores has been disbursed up to 31st March 2021. The balance grant to be disbursed is ₹ 1,064.39 crores, which will be disbursed based on progress of projects.

The details are furnished below:

(₹ in Crores)

Sl. No	Details	Grant Sanctioned	Grant Received	Grant Disbursed	Balance
I	Grant from Government				
	Scheme - 2011-12 to 2015-16	2,500.00	2,200.00	2,112.84	87.16
	Scheme - 2018-19 to 2020-21	1,499.63	1,000.00	764.13	235.87
	Total (I)	3,999.63	3,200.00	2,876.97	323.03
	In SB Account				0.21
	In PD Account				322.82
Sl. No	Details	Grant Sanctioned	Grant Disbursed	Savings	Balance to be Disbursed
II	Disbursement of Grant				
i	Scheme - 2011-12 to 2015-16				
	GCC	1,274.24	1,215.98	58.26	0
	CMWSSB	1,217.86	892.59	0	325.27
	Fees	7.90	4.28	0	3.62
	Total (i)	2,500.00	2,112.85	58.26	328.89
ii	Scheme - 2018-19 to 2020-21				
	GCC	951.60	578.60	0	373.00
	CMWSSB	548.03	185.53	0	362.50
	Total (ii)	1,499.63	764.13	0	735.50
	Grand Total (i+ii)	3,999.63	2,876.98	58.26	1,064.39

9. Accounts and Audit

The Annual Accounts for the financial year 2020-21 have been audited by M/s. P.M.M. Associates, Chartered Accountants, Chennai. A copy of the audited accounts for the financial year 2020-21 is enclosed.

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of CHENNAI MEGA CITY DEVELOPMENT FUND (the entity), the Grant Fund of Government of Tamil Nadu, which comprise the Balance Sheet as at 31st March 2021, the Income and Expenditure Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31st March 2021, 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.

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 : 13.08.2021

Membership No. 022683

UDIN:21022683AAAAEM3962

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 31.03.2021

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
		(₹)	
Sources of Funds			
Grant from Government	1	323,03,34,493	104,77,23,417
Current Liabilities	2	50,556	23,600
Total		323,03,85,049	104,77,47,017
Application of Funds			
Current Assets	3		
Cash and Cash Equivalents		323,03,85,049	104,77,47,017
Total		323,03,85,049	104,77,47,017
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/-

P.Ponniah, IAS

Director

Sd/-

S. Swarna, IAS

Chairman & Managing Director

Place : Chennai

Date : 13.08.2021

**(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.

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03..2021

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
	(₹)	
Income		
Interest earned		
On Savings Bank Account	33,876	17,699
Total	33,876	17,699
Expenditure		
Management Fee	51,99,200	50,66,276
Audit Fee – Statutory Audit	23,600	23,600
Total	52,22,800	50,89,876
Excess of Income over Expenditure transferred to Grant from Government	(51,88,924)	(50,72,177)
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/-

P.Ponniah, IAS

Director

Sd/-

S. Swarna, IAS

Chairman & Managing Director

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

Place : Chennai

Date : 13.08.2021

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 31.03.2021

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
	(₹)	
Receipts		
Grant from Government	600,00,00,000	0
Interest Receipts	33,876	17,699
Total	600,00,33,876	17,699
Payments		
Grant Disbursements	381,22,00,000	359,06,00,000
Management Fee	51,72,244	50,66,276
Statutory Audit Fees	23,600	23,600
TDS under GST	0	12,032
Total	381,73,95,844	359,57,01,908
Surplus / (Deficit) for the year	218,26,38,032	(359,56,84,209)
Add: Opening Cash and Bank Balances	104,77,47,017	464,34,31,226
Closing Cash & Bank Balances	323,03,85,049	104,77,47,017

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

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P.Ponniah, IAS

Director

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S. Swarna, IAS

Chairman & Managing Director

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

Place : Chennai

Date : 13.08.2021

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 31.03.20

Particulars	As at 31 st March 2021	As at 31 st March 2020
	(₹)	
Note-1		
Grant from Government		
Balance at the beginning of the year	104,77,23,417	464,33,95,594
Add: Grant assistance received during the year	600,00,00,000	0
	704,77,23,417	464,33,95,594
Less: Grant Disbursement during the year	381,22,00,000	359,06,00,000
Excess of Income over Expenditure carried from Income & Expenditure Account	51,88,924	50,72,177
Total	323,03,34,493	104,77,23,417
Note-2		
Current Liabilities		
Audit Fee payable	23,600	23,600
TDS Payable Under GST	26,956	0
Total	50,556	23,600
Note-3		
Current Assets		
Cash and Cash Equivalents		
i. In Savings Account	21,85,049	3,16,517
ii. In Public Deposit Account	322,82,00,000	104,74,30,500
Total	323,03,85,049	104,77,47,017

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 31.03.20

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, the Grant Fund of Government of Tamil Nadu, is managed by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL). The Project Sanctioning Committee of Chennai Mega City Development Mission has prescribed the Management Fees to TNUIFSL @ 0.10% (payable @ 0.05% on receipt of orders of the Government for sanction of grant and @ 0.05% on disbursement of funds).

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 31.03.20

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.

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

Place : Chennai

Date : 13.08.2021

For and behalf of the Board of Directors

Sd/-

P.Ponniah, IAS

Director

Sd/-

S. Swarna, IAS

Chairman & Managing Director

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



TAMIL NADU URBAN DEVELOPMENT FUND

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

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

Website : www.tnuifsl.com