



SARATH & ASSOCIATES

CHARTERED ACCOUNTANTS

Independent Auditors' Report

To

**The Members of
Andhra Pradesh Urban Infrastructure Asset Management Limited
Vijayawada.**

Report on the Audit of Standalone Ind AS Financial Statements:

Opinion

We have audited the accompanying standalone financial statements of **M/s. Andhra Pradesh Urban Infrastructure Asset Management Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss for the year ended on that date and notes to financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the said Company as at 31st March, 2021, its Loss and total comprehensive Income for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements 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 Standalone 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 standalone 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 on the standalone financial statements.

Emphasis of Matter

Attention is drawn to loss incurred during the year, predominantly due to Expected Credit Loss provision made on Receivables. However, majority of the receivables are from Government / semi-government organisations. Hence, in the view of the management, the doubtfulness of the non-realization is very less. There are long outstanding accounts due to condition mentioned in the contract agreements as payment will be made whenever the company received the amounts from the respective parties. However, these contracts are in relation to Government / semi-government organisations only. Our opinion is not modified in this regard.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Response to Key Audit Matter
<p>The company is providing services to various Government authorities from which it raises majority of its revenue. Out of Rs.22,96,33,949/- which is shown as Trade Receivables (Gross) in Note No.6 to the financial statements, the company has provided an amount of Rs.17,91,37,843/- as Expected Credit Loss.</p>	<p>Our Audit procedures included:</p> <ul style="list-style-type: none">Assessed the design, implementation and operating effectiveness of internal controls over Management's evaluation of the Expected Credit Loss in line with laid down Ind AS principlesReviewed the approvals of Audit Committee for, wherein the Company was required to evaluate the expected collection year of outstanding debtors and provide provision for same as an interest expense in the form of Expected Credit LossUnderstood the methodology implemented by management in line with above approvalsAssessed the accuracy of computations <p>Conclusion:</p> <p>Our procedures did not identify any material exceptions.</p>
<p>Out of Rs.22,96,33,949/- shown under Trade Receivables (Gross), the company has to receive an amount of Rs. 20,21,52,662/- (88%) which is outstanding for more than 6 months as on reporting date and which the company has considered good and recoverable.</p>	<p>Our Audit procedures included:</p> <ul style="list-style-type: none">Tested the accuracy of ageing of Trade Receivables at the year endObtained list of outstanding receivables and identified any Debtors with financial difficulty through discussion with Management as well as evaluating correspondence with those customers and the CompanyTested subsequent settlement of Trade receivables after Balance Sheet dateNoted that as the customers are either Govt. Entities/SPVs/local bodies/Govt. projects, the risk of non-realization is lowFurther noted that Debtors position is keenly monitored and reviewed <p>Conclusion</p> <p>Our above procedures did not identify any material exceptions</p>



Management Responsibilities for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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 to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. 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 including Other Comprehensive Income dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. There are no instances of pending litigations which are likely to have impact on its financial position in its standalone Ind AS financial statements.
- ii. The Company had not entered into any derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Sarath & Associates
Chartered Accountants
Firm Registration No: 005120S**



**CA S Srinivas
Partner**

**Membership No. 202471
CIN: 21202471AAAAGK9404**

**Date: 26.07.2021
Place: Vijayawada**



"Annexure – A" to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of M/s. Andhra Pradesh Urban Infrastructure Asset Management Limited

Report on the Internal Financial Controls under Clause (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 **M/s. Andhra Pradesh Urban Infrastructure Asset Management Limited** ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone Ind AS 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India. 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.

The Company's Management has in present financial year amongst other areas has specifically identified the following areas (i) Property Plant & Equipment (ii) Loans (iii) Trade Receivables (iv) Other Financial Liabilities (v) Trade Payables; and (vi) Provisions, as a benchmark criterion for establishing Internal Financial Controls over financial reporting.

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 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 judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st 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 issued by the Institute of Chartered Accountants of India.

**For Sarath & Associates
Chartered Accountants**
Firm Registration No: 005120S

J. J

CA S Srinivas
Partner
Membership No. 202471
UDIN:21202471AAAAGK9404

Date: 26.07.2021
Place: Vijayawada



"Annexure B" to the Independent Auditors Report

(Referred to in paragraph under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the standalone financial statements of M/s. Andhra Pradesh Urban Infrastructure Asset Management Limited for the year ended 31st March, 2021)

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we confirm that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management at reasonable intervals in accordance with its phased programme designed to cover all the assets by physical verification over a period of one to five years, which in our opinion, is reasonable having regard to the size of the Company and nature of assets. No material discrepancies were noticed on such verification.
- (c) There are no immovable properties held in the name of the Company
- (ii) The company does not hold any physical inventories. Accordingly, matters specified in clause (ii) of paragraph 3 of the Order do not apply to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the period under review. Accordingly, the provisions of Clause 3(iii)(a) to Clause 3 (iii)(c) of the said Order are not applicable for the Company during the year under review.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, made any investments, provided any guarantees, and given any security to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) According to information and explanation given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (v) of Paragraph 3 of the Order are not applicable to the Company
- (vi) According to information and explanation given to us, the maintenance of Cost Records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company
- (vii) (a) The Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, GST, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021
- (b) There are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or GST have not been deposited on account of any dispute.



- (viii) In our opinion and according to the information and explanations given to us, the Company did not avail any loan either from banks/financial institutions or issued any debentures during the current year.
- (ix) The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company for the Current Year
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, there is no managerial remuneration which has been paid or provided during the current year.
- (xii) As the Company is neither carrying on business of Nidhi nor reported as a Nidhi company, paragraph 3(Xii) of the order is not applicable.
- (xiii) The transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements etc., as required by the applicable accounting standards.
- (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.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the paragraph 3(XV) of the order is not applicable.
- (xvi) The Company is not carrying on the business of Non- Banking Finance, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Date: 26.07.2021
Place: Vijayawada



ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
BALANCE SHEET AS AT MARCH 31, 2021

	Notes	As at	
		March 31, 2021	March 31, 2020
		Rupees	Rupees
I ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipments	2.a	19,28,404	25,39,587
Intangible Assets	2.b	1,11,672	2,42,516
		20,40,076	27,82,103
Financial Assets			
Loans & Advances	3	11,43,600	16,47,600
Deferred tax assets (net)	4	5,29,88,197	4,03,69,252
Other Non Current Assets	5	38,27,078	74,970
Total Non-Current Assets		5,99,98,951	4,48,73,925
CURRENT ASSETS			
Financial Assets			
Trade receivables	6	5,06,82,824	5,94,48,307
Cash and cash equivalents	7	2,81,53,597	2,57,22,477
Other Financial Assets	8	5,59,70,932	5,23,41,464
Other Current Assets	9	9,12,803	7,16,247
Total Current Assets		13,57,20,157	13,82,28,495
TOTAL ASSETS		19,57,19,108	18,31,02,420
II EQUITY AND LIABILITIES			
Equity			
Equity Share capital	10	20,00,00,000	20,00,00,000
Other Equity	11	(6,34,44,554)	(7,50,33,562)
Total Equity		13,65,55,446	12,49,66,438
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
i. Other Financial Liabilities	12	16,88,389	30,68,691
Total Non Current Liabilities		16,88,389	30,68,691
CURRENT LIABILITIES			
Financial Liabilities			
Trade payables	13	4,73,47,932	5,06,38,873
Other Financial liabilities	14	26,66,683	12,48,974
Other Current Liabilities	15	74,60,658	31,79,445
Total Current Liabilities		5,74,75,273	5,50,67,292
TOTAL EQUITY AND LIABILITIES		19,57,19,108	18,31,02,420

Notes 1 to 27 forms part of the Financial Statements

In terms of our report attached

For Sarath & Associates
Chartered Accountants

Partner
S.Srinivas
M.No. 202471

Date: 26-07-2021
Place: Vijayawada



S. Srinivas Director
P. Sudrajan Director
A. Anil Chief Executive Officer - Incharge
P. Sudrajan Company Secretary

M.S.Peddy
Chief Financial Officer (In-Charge)

ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31,2021

	Notes	Year Ended March 31, 2021 Rupees	Year Ended March 31, 2020 Rupees
INCOME			
Revenue from operations	16	17,14,06,740	4,42,45,757
Other income	17	14,60,283	32,96,081
TOTAL REVENUE		17,28,67,023	4,75,41,838
EXPENSES			
Employee benefits expense	18	3,31,56,301	4,80,12,305
Depreciation and amortisation expense	2	14,30,944	19,81,048
Other Operating and administrative expenses	19	9,67,01,094	6,34,80,716
Expected Credit Loss	20	4,35,62,826	11,58,97,144
TOTAL EXPENSES		17,48,51,165	22,93,71,213
PROFIT BEFORE TAX		(19,84,142)	(18,18,29,375)
Tax expense:			
- Current tax		-	-
- Deferred tax	4	(1,26,18,945)	(3,24,88,708)
Net tax expense		(1,26,18,945)	(3,24,88,708)
PROFIT FOR THE YEAR		1,06,34,803	(14,93,40,667)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to Profit & Loss			
Remeasurement of a net defined benefit liability or asset		13,21,980	(2,08,982)
Deferred Tax		(3,67,775)	58,139
Net Remeasurement of a net defined benefit liability or asset		9,54,205	(1,50,843)
Total Comprehensive Income for the year		1,15,89,008	(14,94,91,510)
EARNINGS PER EQUITY SHARE			
Basic and Diluted (Face value Rs 10 per share)	25	0.58	(7.47)

Notes 1 to 27 forms part of the Financial Statements

For Sarath & Associates
Chartered Accountants

Partner
S.Srinivas
M.No. 202471



J. J. *Varma* *Reddy*
Director Director

A. V.
Chief Executive Officer
- Incharge

P. Sudraja
Company Secretary

Date: 26-07-2021
Place: Vijayawada

MS Reddy
Chief Financial Officer (Incharge)

ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

	Year Ended March 31, 2021 Rupees	Year Ended March 31, 2020 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	(19,84,142)	(18,18,29,375)
Adjustments for:		
Depreciation and amortisation expense	14,30,944	19,81,048
Interest income	(13,14,011)	(32,66,582)
Taxes on ECL Impact	-	3,22,42,586
Net Loss/(Profit) on sale of fixed assets	(28,259)	(29,499)
Provision for employee benefits	30,58,687	31,07,515
Operating profit/(loss) before working capital changes	11,63,219	(14,77,94,307)
Adjustments for:		
Increase/Decrease in trade receivables	87,65,483	13,59,44,532
Increase/decrease in short term and long term loans and advances	(31,25,468)	(3,07,46,787)
Increase/decrease in other current assets and non current assets	(39,48,664)	(3,12,06,304)
Increase/decrease in trade payables	(32,90,941)	1,54,69,636
Increase/decrease in other current liabilities and provisions	18,46,363	(1,20,77,511)
Cash generated from operations	14,09,992	(7,04,10,741)
Net income tax (paid)/refund	-	(2,76,000)
Net cash flow from operating activities	(A) 14,09,992	(7,06,86,741)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure on fixed assets	(6,88,917)	(5,87,573)
Proceeds from sale of fixed assets	28,259	34,065
Fixed Deposits with Bank	14,91,084	3,50,00,000
Interest received	13,14,011	30,90,253
Proceeds on Redemption of Mutual Funds	-	-
Net cash flow from investing activities	(B) 21,44,437	3,75,36,745
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash flow from financing activities	(C) -	-
Notes 1 Net increase in cash and cash equivalents (A+B+C)	35,54,429	(3,31,49,996)
E. Cash and cash equivalents at the beginning of the Year	7,22,477	3,38,72,473
F. Cash and cash equivalents at the end of the Period	46,44,681	7,22,477
	39,22,204	(3,31,49,996)

Notes 1 to 27 forms part of the Financial Statements

In terms of our report attached

For Sarath & Associates
Chartered Accountants

Partner
S Srinivas
M.No.202471



Date: 26-07-2021
Place: Vijayawada

Director

Chief Executive Officer
- Incharge

Director
 P. Sudheer
Company Secretary

Ms. Reddy
Chief Financial Officer - Incharge

28 Financial Risk Management

The Company has exposure to the following risks from financial instruments:

- * credit risk
- * liquidity risk
- * market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the risk management process to ensure adherence to appropriate risk limits and controls are set in place. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

The Company has no significant concentration of credit risk, since the amounts owed to the Company are from ultimate holding Company. The Company does not hold any collateral over these balances. Cash and cash equivalents are held with banks having good repute.

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company manages its liquidity by matching maturities of its financial assets and financial liabilities. The Company is primarily funded by capital injection from its parent company and funds from operations.

All financial assets and financial liabilities in March 2020 and March 2019 are repayable on demand or due within one year from the end of reporting period.

Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk

For Sarath & Associates
Chartered Accountants

Partner
S.Srinivas
M.No. 202471

Date: 26-07-2021
Place: Vijayawada




Director


Chief Executive Officer
-Incharge


Company Secretary


Chief Financial Officer
(Incharge)

ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2 : Property Plant and Equipments and Depreciation

		Gross block			Accumulated depreciation and amortisation			Net block Balance as at Mar 31, 2021
		Balance as at April 1, 2020	Additions	Deductions	Balance as at Mar 31, 2021	For the Year	On deductions	
(a) Tangible assets (owned)								
Leasehold improvements	3,05,200				3,05,200	34,952	61,039	95,991
Vehicle	4,300				4,300	4,299	-	4,299
Office equipment	6,15,714	1,00,900			6,67,714	5,54,512	1,05,559	6,15,982
Electrical Installation & Equipment	5,15,398	58,399			5,73,797	1,64,410	48,586	2,12,996
Data processing equipment	26,19,625	4,01,255			30,20,880	22,18,973	3,83,685	26,02,638
Furniture & Fixture	29,26,338	5,400			29,31,738	14,69,843	5,73,456	20,43,299
Total	69,86,575	5,65,954			75,03,629	44,46,989	11,72,325	44,089
(b) Intangible assets (other than self generated)								55,75,225
Computer software	8,96,296	1,27,775			10,24,071	6,53,780	2,58,619	-
Total	8,96,296	1,27,775			10,24,071	6,53,780	2,58,619	-
Grand Total	78,82,871	6,93,729			85,27,700	51,00,769	14,30,944	44,089
								64,87,624
								20,40,076

For Previous Year

		Gross block			Accumulated depreciation and amortisation			Balance as at Mar 31, 2020
		Balance as at Apr 1, 2019	Additions	Deductions	Balance as at Mar 31, 2020	For the year	On deductions	
(a) Tangible assets (owned)								
Leasehold improvements	3,05,200				3,05,200	-		34,952
Vehicle	4,300				4,300	4,299	-	4,299
Office equipment	4,47,240	1,92,474			6,15,714	3,51,963	2,26,549	5,54,512
Electrical Installation & Equipment	5,02,516	12,881			5,15,397	93,507	70,903	1,64,410
Data processing equipment	26,17,499	13,313			26,19,626	14,29,701	7,94,020	22,18,973
Furniture & Fixture	28,62,633	63,705			29,26,338	8,99,661	5,70,183	14,69,843
Total	64,34,188	5,87,573			35,186	69,86,575	27,79,131	16,96,606
(b) Intangible assets (other than self generated)								28,750
Computer software	8,96,296				8,96,296	3,69,338	2,84,442	-
Total	8,96,296				-	3,69,338	2,84,442	-
Grand Total	73,30,484	5,87,573			35,186	78,82,871	31,48,469	19,81,048
								28,750
								51,00,769
								27,82,103



ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
 NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4 DEFERRED TAX ASSETS (net) :

Major components of deferred tax assets arising on account of timing differences are:

	As at April 1,2020	Credited (charged) to Statement of Profit and Loss	As at Mar 31,2021
	Rupees	Rupees	Rupees
Difference between book and tax depreciation	3,86,702	(1,57,598)	2,29,104
Provision for employee benefits	25,16,349	3,71,561	28,87,910
Preliminary Expenses Written off	1,09,276	(81,971)	27,305
Expected Credit Loss	3,76,64,331	1,21,19,178	4,97,83,510
Other Comprehensive Income	(3,07,406)	3,67,775	60,369
Total	4,03,69,252	1,26,18,945	5,29,88,197



ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2021 Rupees	As at March 31, 2020 Rupees
3 LOANS AND ADVANCES		
Loans and advances - other than related parties (Unsecured, considered good)		
Security deposits	11,43,600	16,47,600
Licence Fee	-	-
	11,43,600	16,47,600
5 OTHER NON CURRENT ASSETS		
Employee Benefits		
Gratuity Reimbursement due on opening of Gratuity Trust	38,27,078	74,970
	38,27,078	74,970
6 TRADE RECEIVABLES		
Trade receivables		
- Considered good (Less than Six Months)	2,74,81,287	1,17,57,518
- Considered good (More than Six Months)	20,21,52,662	18,32,65,805
Less:		
Expected Credit Loss(ECL)	(17,91,37,843)	(13,55,75,016)
Other Receivables - OPE	89,794	-
- Deputation	96,924	-
	5,06,82,824	5,94,48,307
7 CASH AND CASH EQUIVALENTS		
Cash on hand		
Cheques on hand		
Balances with banks		
- in current accounts	43,70,636	4,64,921
- in deposit accounts having maturity within 3 months	2,74,045	2,57,556
Cash and cash equivalents (as per Ind AS -7 Cash flow statement)	46,44,681	7,22,477
Balances with banks in deposit accounts:		
maturity beyond 3 months upto 12 months	2,35,08,916	2,50,00,000
	2,81,53,597	2,57,22,477
*Balance in deposit accounts includes deposit under lien of Rs. Nil (Previous Year Rs. Nil)		
8 Other Financial Assets		
Loans and advances - Other than related parties		
Unsecured, considered good		
Licence Fee	-	-
Security deposits	2,82,105	1,32,314
Staff advances	37,783	2,65,450
GST input credit	12,61,615	50,07,464
TDS Recoverable	1,29,50,768	70,63,130
Andhra Pradesh Urban Development Fund (APUDF)	-	16,89,588
Other advances	1,93,340	7,63,497
Unbilled Revenue	4,11,06,291	3,72,14,193
Interest Accured on Deposits	1,39,030	2,05,828
	5,59,70,932	5,23,41,464
Less: Provision for doubtful advances	-	-
Total	5,59,70,932	5,23,41,464
9 Other Current Assets		
Prepaid expenses	9,12,803	7,16,247
	9,12,803	7,16,247



ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		As at March 31, 2021 Rupees	As at March 31, 2020 Rupees
10 EQUITY SHARE CAPITAL			
AUTHORISED			
20,00,000 Equity shares of Rs 10 each		20,00,00,000	20,00,00,000
Shares of Rs. 10 each		<u>20,00,00,000</u>	<u>20,00,00,000</u>
SUBSCRIBED			
20,00,000 Equity shares of Rs 10 each		20,00,00,000	20,00,00,000
		<u>20,00,00,000</u>	<u>20,00,00,000</u>
ISSUED AND FULLY PAID UP			
2,00,00,000 Equity shares of Rs.10 each fully paid		20,00,00,000	20,00,00,000
		<u>20,00,00,000</u>	<u>20,00,00,000</u>
Notes:-			
(i) The equity capital is held Jointly by IL&FS Investment Managers Limited, the Holding Company (51%) & Government of Andhra Pradesh (49%)			
(ii) The Company has issued one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held			
(iii) Reconciliation of the amount of share capital			
Amount of equity shares of Rs 10 each outstanding as at beginning of the period		20,00,00,000	20,00,00,000
Add: Shares issued during the period		<u>-</u>	<u>-</u>
Amount of equity shares of Rs 10 each outstanding as at end of the period		<u>20,00,00,000</u>	<u>20,00,00,000</u>
(iv) Reconciliation of the number of shares outstanding			
Number of equity shares of Rs 10 each outstanding as at beginning of the period		2,00,00,000	2,00,00,000
Add: Shares issued during the period		<u>-</u>	<u>-</u>
Amount of equity shares of Rs 10 each outstanding as at the end of the period		<u>2,00,00,000</u>	<u>2,00,00,000</u>
(v) Shares in a company held by each shareholder holding more than 5 %			
Name of Shareholder	% of holding	No. of Shares	No. of Shares
IL&FS Investment Managers Limited	51	1,02,00,000	1,02,00,000
Government of Andhra Pradesh , Municipal Administration & Urban Development Department	49	98,00,000	98,00,000
		<u>2,00,00,000</u>	<u>2,00,00,000</u>
11 Other Equity			
General Reserve			
Opening balance		(7,50,33,562)	7,44,57,948
Add: (Loss)/ profit for the period		1,06,34,803	(14,93,40,667)
Closing Balance		(6,43,98,759)	(7,48,82,719)
Other Comprehensive Income		9,54,205	(1,50,843)
		<u>(6,34,44,554)</u>	<u>(7,50,33,562)</u>



ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2021 Rupees	As at March 31, 2020 Rupees
12 Employee Benefit Obligation		
Gratuity	92,721	20,29,396
Compensated absences	<u>15,95,668</u>	<u>10,39,295</u>
	<u>16,88,389</u>	<u>30,68,691</u>
13 TRADE PAYABLES		
-Total outstanding dues of micro enterprises and small enterprises	3,51,803	1,56,236
-Total outstanding dues of creditors other than micro enterprises and small enterprises	<u>4,69,96,129</u>	<u>5,04,82,637</u>
	<u>4,73,47,932</u>	<u>5,06,38,873</u>
The amount due to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 has been disclosed to the extent of information available with the Company from vendors regarding their status. As per information available with the Company, no interest is paid/ payable under this Act		
14 OTHER FINANCIAL LIABILITIES		
Interest accrued but not due		
PDA - MA&UD (UI) Dept, Government of Andhra Pradesh *	1,60,887	1,60,887
Statutory dues (contribution to provident fund, withholding tax etc.)	<u>25,05,796</u>	<u>10,88,087</u>
	<u>26,66,683</u>	<u>12,48,974</u>
* The Company has received a Project Development Advance - Transaction Advisory (TA Fund) from Govt of Andhra Pradesh for meeting the project development expenses on Feb 22, 2017. This amount has been kept in a separate bank account with Andhra Bank. The interest earned/accrued on the fixed deposits made from TA fund has been credited to TA Fund (net off tax		
15 PROVISIONS		
Provision for employee benefits:		
- Gratuity	49,11,128	1,29,930
- Compensated Absences	<u>23,94,728</u>	<u>25,04,577</u>
- Performance Related Pay	-	-
- Others	1,54,802	5,44,938
- Provision for Tax	-	-
	<u>74,60,658</u>	<u>31,79,445</u>



ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2021 Rupees	As at March 31, 2020 Rupees
19 OTHER OPERATING AND ADMINISTRATIVE EXPENSES		
Consultancy expenses	7,48,92,053	4,07,77,046
Rent	34,13,396	43,05,117
Travelling and conveyance	46,64,717	73,36,428
Repair and maintenance	13,76,022	14,46,588
Communication expenses	5,28,780	6,45,790
Auditors Remuneration	2,75,000	3,50,000
Director sitting fees	5,40,000	4,80,000
Insurance	16,70,382	20,92,754
Printing and stationery charges	10,40,529	5,22,012
Rates and taxes	21,43,132	71,917
General Office Expenses	35,20,449	30,47,498
Miscellaneous expenses	26,36,634	24,05,566
	9,67,01,094	6,34,80,716
20 Expected Credit Loss(ECL)	4,35,62,827	11,58,97,144
	4,35,62,827	11,58,97,144
21 Payment /payable to Auditors includes*		
Statutory audit fees	2,75,000	3,50,000
Tax Audit Fees	80,000	1,75,000
	3,55,000	5,25,000
* Excluding GST		
22 OPERATING LEASE		
The company has entered in to operating lease arrangement for office and guest house. The minimum future lease paymnet during the non cancelleable period under the foregoing arrangement in the aggregating for each of the following periods is as follows:		
Office & Guest House		
Not later than one year	29,90,837	28,08,740
Later than one year but not later than five years	17,96,186	27,14,810
Later than five years	-	-
	47,87,023	55,23,550
23 EXPENDITURE IN FOREIGN CURRENCY:		
Travelling & Conveyance	0	3,05,140
	0	3,05,140
24 TAX EXPENSES		
Profit before taxes	(19,84,142)	(18,18,29,375)
Computed expected tax expense	(1,26,18,945)	(3,24,88,708)
Add:Effect on non ductuble expense	-	-
Less: others (DT effect)	(1,26,18,945)	(3,24,88,708)
Income Tax Expense	-	-
	(1,26,18,945)	(3,24,88,708)
25 EARNINGS PER EQUITY SHARE:		
Profit after tax attributable to Equity Shareholders	1,15,89,008	(14,94,91,510)
Weighted average number of Equity Shares in calculating	2,00,00,000	2,00,00,000
Nominal value per share (Rs.)	10.00	10.00
Basic/Diluted earnings per share (Rs.)	0.58	(7.47)



ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year Ended	Year Ended
	March 31, 2021	March 31, 2020
	Rupees	Rupees
16 REVENUE FROM OPERATIONS		
Sale of services		
- Consultancy income	17,14,06,740	4,42,45,757
	17,14,06,740	4,42,45,757
17 OTHER INCOME		
Interest Income on fixed deposit	13,14,011	32,66,582
Interest on Income Tax(Refund)	1,18,013	-
Net gain/(loss) arising on sale on fixed Assets	28,259	29,499
	14,60,283	32,96,081
18 EMPLOYEE BENEFITS EXPENSE		
Salaries and allowances	2,92,03,799	4,42,59,109
Contribution to provident and other Funds	39,07,489	33,20,516
Staff welfare expenses	45,013	4,32,680
	3,31,56,301	4,80,12,305



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MAR 31, 2021

Note 11

(a) Equity share capital

As at March 31, 2020	20,00,00,000
Changes in equity share capital during the Period	-
As at Mar 31, 2021	20,00,00,000

(b) Other equity

	Securities Premium Reserve	General Reserve	Retained Earnings	IND AS Adjustment	Total
Total Comprehensive Income for the year			(7,50,33,562)		(7,50,33,562)
Profit/(Loss)			1,06,34,803		1,06,34,803
Other Comprehensive Income				9,54,205	9,54,205
Balance at Mar 31, 2021	-	-	(6,43,98,759)	9,54,205	(6,34,44,554)



Note 12 : Employee Benefit Obligation

a Actuarial Assumptions for Long - Term Compensated Absenses

Discount rate
Salary Escalation
Attrition

	Year Ended March 31, 2021	Year Ended March 31, 2020
Discount rate	6.75%	6.20%
Salary Escalation	6.50%	6.50%
Attrition	2.00%	2.00%

b Defined benefit Obligations

IND AS 19 - calculation of Gratuity

i. Assumptions

Discount rate
Salary Escalation

Mortality

ii. Change in benefit obligation

Present Value of Benefit Obligation at the Beginning of the Period

Interest cost

Current Service Cost

Re-measurement (or Actuarial) (gain) / loss arising from:

-change in demographic assumptions

-change in financial assumption

-experience variance (i.e. Actual experience vs assumptions)

-others

Benefits paid

Acquisition Adjustment

Actuarial (gain) / loss on obligations

Present Value of Benefit Obligation at the End of the Period

iii. Amount Recognised in the Balance Sheet

Present Value of Benefit Obligation at the End of the Period

Fair Value of Plan assets at the end of the Period/ Reimbursement Right

Funded Status (Surplus/ (Deficit))

Unrecognized Past Service Cost at the end of the Period

Net (Liability)/Asset Recognized in the Balance Sheet

iv. Expenses recognised in the profit and loss account

Current service costs

Interest cost

Expenses charged to the profit and loss account

v. Other Comprehensive Income

Actuarial (gains) / losses

-change in demographic assumptions

-change in financial assumptions

-experience variance (i.e. Actual experience vs assumptions)

-others

Return on plan assets, excluding amount recognised in net interest expense

Components of defined benefit costs recognised in other comprehensive income

vi. Balance Sheet Reconciliation

Opening Net Liability

Expense Recognized in Statement of Profit or Loss

Net Liability/(Asset) Transfer In

Net (Liability)/Asset Transfer Out

Contributions transferred to other company

Amount Recognised in the balance sheet

vi. Fair value of Plan Assets

Fair Value of Plan Assets as at the beginning

Investment Income

Employer's Contribution

Transfer In

Benefits Paid

Return on plan assets , excluding amount recognised in net interest expense

Fair Value of Plan Assets as at the end

	Year Ended March 31, 2021	Year Ended March 31, 2020
Discount rate	6.75%	6.20%
Salary Escalation	6.50%	6.50%

	Year Ended March 31, 2021	Year Ended March 31, 2020
Attrition	2.00%	2.00%
Mortality	Indian Assured Lives Mortality(2012-14)	Indian Assured Lives Mortality(2012-14)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	55,76,206	55,41,900
Interest cost	4,92,478	4,27,635

	Year Ended March 31, 2021	Year Ended March 31, 2020
Current Service Cost	5,43,859	5,80,305
Re-measurement (or Actuarial) (gain) / loss arising from:		

	Year Ended March 31, 2021	Year Ended March 31, 2020
-change in demographic assumptions		293
-change in financial assumption	(3,01,264)	5,16,730
-experience variance (i.e. Actual experience vs assumptions)	16,85,013	(3,41,689)
-others		

	Year Ended March 31, 2021	Year Ended March 31, 2020
Benefits paid	(15,31,020)	(11,48,968)
Acquisition Adjustment	37,52,108	

	Year Ended March 31, 2021	Year Ended March 31, 2020
Present Value of Benefit Obligation at the End of the Period	1,02,17,380	55,76,206

	Year Ended March 31, 2021	Year Ended March 31, 2020
Present Value of Benefit Obligation at the End of the Period	(1,02,17,380)	(55,76,206)
Fair Value of Plan assets at the end of the Period/ Reimbursement Right	42,59,326	34,16,880
Funded Status (Surplus/ (Deficit))	(59,58,054)	(21,59,326)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Unrecognized Past Service Cost at the end of the Period	(59,58,054)	(21,59,326)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Net (Liability)/Asset Recognized in the Balance Sheet	21,46,620	9,97,064

	Year Ended March 31, 2021	Year Ended March 31, 2020
Current service costs	8,24,640	7,88,082
Interest cost	13,21,980	2,08,982

	Year Ended March 31, 2021	Year Ended March 31, 2020
Expenses charged to the profit and loss account	21,46,620	9,97,064

	Year Ended March 31, 2021	Year Ended March 31, 2020
Return on plan assets, excluding amount recognised in net interest expense	(61,769)	33,648
Components of defined benefit costs recognised in other comprehensive income	13,21,980	2,08,982

	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening Net Liability	55,76,206	55,41,900
Expense Recognized in Statement of Profit or Loss	24,20,086	11,83,274

	Year Ended March 31, 2021	Year Ended March 31, 2020
Net Liability/(Asset) Transfer In	37,52,108	
Net (Liability)/Asset Transfer Out	(15,31,020)	(11,48,968)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Contributions transferred to other company		

	Year Ended March 31, 2021	Year Ended March 31, 2020
Amount Recognised in the balance sheet	1,02,17,380	55,76,206

	Year Ended March 31, 2021	Year Ended March 31, 2020
Fair Value of Plan Assets as at the beginning	34,16,880	28,49,232
Investment Income	2,11,697	2,19,858

	Year Ended March 31, 2021	Year Ended March 31, 2020
Employer's Contribution	21,00,000	15,30,406
Transfer In		

	Year Ended March 31, 2021	Year Ended March 31, 2020
Benefits Paid	(15,31,020)	(11,48,968)
Return on plan assets , excluding amount recognised in net interest expense	61,769	(33,648)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Fair Value of Plan Assets as at the end	42,59,326	34,16,880



ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26 Related Party Disclosures (IND AS -24)

a) List of related parties: (With whom company had transactions)

(A) HOLDING COMPANY

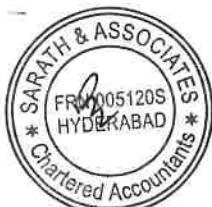
IL&FS Limited (Ultimate Holding Company)
IL&FS Investment Managers Limited (Parent)
Government of Andhra Pradesh (Parent)

(B) FELLOW SUBSIDIARIES (with whom the Company had transactions)

IL&FS Township & Urban Assets Limited (IIDC Limited)
Tamil Nadu Water Investment Company Limited
Urban Mass Tranist Company Limited
IL&FS Urban Infrastructure Managers Limited
IL&FS Water Limited
Andhra Pradesh Economic Cities Promotion & Development Corporation Ltd.

(C) KEY MANAGERIAL PERSONNEL

- 1 Mr Prakash Gaur (Chief Executive Officer) (Upto Mar 14, 2021)
- 2 Mr A Narayana Reddy (Chief Executive Officer - Incharge) (from Mar 15, 2021)
- 3 Mr Vikas Verma (Chief Financial Officer) (Upto Jun 30, 2020)
- 4 Mr M Sankar Reddy (Chief Financial Officer - Incharge) (from Jul 1, 2020)
- 5 Mrs. Prameela Mekka (Company Secretary) (Upto Feb 28, 2021)



ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b) The nature and volume of transactions during the year with the above related parties were as follows:

(Amount in Rupees)

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total March 31, 2021
Income					
Expenses					
Employee Cost			35,57,373		35,57,373
Consultancy fee					-
Remuneration				91,43,516	91,43,516
Other Operating expenses	1,68,764				1,68,764
Non current investments					-
Receivables					-
Short term loans & advances					-
Short term borrowings					-
Payables			1,48,97,404		1,48,97,404
Other current liabilities					-

(Amount in Rupees)

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total March 31, 2020
Income					
Expenses					
Employee Cost			1,53,15,396		1,53,15,396
Remuneration				1,40,53,014	1,40,53,014
Other Operating expenses	1,68,764				1,68,764
Balances as at March 31, 2020					
Assets					
Liabilities					
Payables			1,76,76,376		1,76,76,376



ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c) Statement of material transactions during the year with the above related parties

Company	Nature of Relationship	Period ended March 31, 2021	Period ended March 31, 2020
Income			
Expenses			
Employee Cost			
Deputation Cost			
IL&FS Township & Urban Assets Limited (IIDC Limited)	Fellow Subsidiary	35,57,373	1,33,10,393
IL&FS Water Limited	Fellow Subsidiary	-	19,79,604
IL&FS Investment Manager Ltd.	Fellow Subsidiary	-	25,395
Remuneration			
Mr. Prakash Gaur (Chief Executive Officer) (upto Mar 14, 2021)	Key Management Personal	58,44,065	76,87,395
Mr A Narayana Reddy (Chief Executive Officer - Incharge) (from Mar 15, 2021)	Key Management Personal	1,14,339	-
Mr. Vikas Verma (Chief Financial officer) (upto Jun 30, 2020)	Key Management Personal	10,11,008	47,45,143
Mr. Sankar Reddy M (Chief Financial officer-Incharge) (from Jul 1, 2020)	Key Management Personal	12,13,650	12,74,037
Mrs. Prameela Mekka (Company Secretary) (upto Feb 28, 2021)	Key Management Personal	9,60,454	3,46,439
Other Operating Expenses			
IL&FS Limited	Ultimate Holding Company	1,68,764	1,68,764
Balances as at			
		March 31, 2021	March 31, 2020
Receivables			
Payables			
IL&FS Township & Urban Assets Limited (IIDC Limited)	Fellow Subsidiary	72,58,045	1,05,37,264
Tamil Nadu Water Investment Company Limited+Retention Money	Fellow Subsidiary	55,01,387	42,47,287
Urban Mass Transit Co. Ltd	Fellow Subsidiary	-	7,26,427
IL&FS Water Limited	Fellow Subsidiary	21,37,972	21,37,972
IL&FS Investment Manager Ltd.	Fellow Subsidiary	-	27,426

27 SEGMENT REPORTING

The company is engaged in the business of providing project consultancy services. As the company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosures prescribed by Accounting Standard 17 is not applicable.



ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

I Basis for preparation and presentation of Financial Statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time. Previous periods have been restated to Ind AS. As these financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time Adoption of Indian Accounting Standards has been applied. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

II Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions considered that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and any changes in such estimates are recognized prospectively.

III Property Plant and Equipment and Depreciation

- (a) Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. All costs relating to acquisition and installation of fixed assets are capitalized.
- (b) Depreciation on asset is provided pro-rata from the date on which asset is ready to be put to use for its intended purpose on Straight-Line Method based on the estimated useful life of the assets as prescribed under Schedule II of the Companies Act 2013, other than assets specified in para (iii) below:
- (c) Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013, based on the Management’s estimate after taking into consideration the nature of the asset, the estimated usage of the asset, the operating conditions of the asset:



Category of Asset	1. Estimated Useful Life (in years)
Assets :	
Furniture and Fixtures	5
Data Processing Equipments (Servers & Networking)	4
Data Processing Equipments (Others)	3
Office Equipments	4
Vehicles	4
Lease hold improvement	Over the lease period
Asset given to employees	3
Intangible Assets :	
Computer Software	3
Business Know-how, management and advisory contracts	Over the life of the Fund

As per CA 2013, depreciation of assets is required to be provided based on estimated useful life as per Schedule II of the CA 2013. However, there are certain categories of assets where the useful life of assets have been assessed as under, taking into consideration the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, the past history of replacement, anticipated technological changes etc. Pursuant to the foregoing, it is proposed to continue with the existing policy of accelerated depreciation on following category of assets:

- (i) Mobile Phones and Ipad / Tablets 100% depreciated during the year of capitalisation due to extensive usage and technological obsolescence
- (ii) Vehicles as per the current policy of 4 years as against the useful life of 8 years provided in the CA 2013
- (iii) Furniture and Fixtures as per current policy of 5 years as against the useful life of 10 years provided in the CA 2013
- (iv) Office Equipment as per current policy of 4 years as against the useful life of 5 years provided in the CA 2013
- (v) Data Processing Equipment - Servers & Networking as per current policy of 4 years as against the useful life of 6 years provided in the CA 2013
- (vi) Assets provided to Employees as perquisites would be depreciated over a period of 3 years in line with the rules set in the Employee Hand Book
- (vii) Individual assets costing ` 5,000 or less in the year of capitalisation shall be depreciated 100% for all the categories of assets

Residual value of all assets is retained at ` 1

(d) Impairment of Assets



The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss to the extent the amount was previously charged to the Statement of Profit and Loss, except in case of revalued assets

IV Investments

- (i) Investments are capitalised at actual cost including cost incidental to acquisition
- (ii) Investments are classified as non-current or current at the time of acquisition of such investments
- (iii) Non current investments are individually valued at cost less provision for diminution, other than temporary
- (ii) Current investments are valued at cost or market value whichever is lower

V Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from rendering of services is recognised when there is reasonable certainty as to the measurement or collectability of the revenue

(b) Income on Services provided in nature of Corporate Advisory, Projects Debt Syndication, Project Finance and other fee based income is recognised on an accrual basis on completion of the service milestones specified in the relevant mandate letters

(c) Revenue from infrastructure and development projects services is recognised using the proportionate completion method which is determined by reference to the service milestones achieved as per the terms of the contract. Any expected loss on a contract is recognized immediately in the Statement of Profit and Loss

(d) Unbilled – Pending completion of any milestone ,revenue recognition is restricted to the relevant cost which can be reasonably measured and expected to be recovered as per IND AS 115 para 45. Any expected loss on a contract is recognised immediately in statement of profit and loss.

(e) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(f) Dividend Income is recognised once the unconditional right to receive the dividend is established

(g) The gain / losses on sale of investments are recognised in the Statement of Profit and Loss on the



trade date. Gain or loss on sale of investment is determined after consideration of cost on a weighted average basis

V(a) Expected Credit Loss

As Per IND AS 109, the company is required to apply Expected Credit Loss (ECL) model for recognising the allowance for doubtful debts .on basis of above ,company has considered basis as life time expected credit losses for trade receivables for ECL provision (Simplified approach).

The company has adopted the following ECL policy as approved in the last board meeting held on September 16, 2019 :-

Debtor Ageing	ECL provision
Upto 12 months	Same
12 to 18 months	50% plus 5% towards default risk
18 to 24 months	75% plus 5% towards default risk
Above 24 months	
For Amount not expected to realize	100%

VI Transactions in foreign exchange

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in a foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing at the balance sheet date. The exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities are recognized as income or expenses in the statement of Profit and Loss.

VII Employee benefits

(i) Short term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company

(ii) Long term

The Company has both defined-contribution and defined-benefit plans.

- Defined-contribution plans**

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the Employees' Provident Fund, Family Pension Fund. The Company's payments to the defined contribution plans are reported as expenses in the year in which the employees perform the services that the payment covers



- Defined-benefit plans

Expenses for defined-benefit plans are calculated as at the balance sheet date by independent actuaries. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Incremental liability based on the projected unit credit method as at the reporting date, is charged to the Statement of Profit and Loss. The actuarial gains / losses are accounted in the Statement of Profit and Loss

(iii) Other employee benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the period in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where the availment or encashment is not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method. The resulting actuarial gains / losses are accounted in the Statement of Profit and Loss

VIII Taxation

(h) Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income

(i)
Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously



(ii)
Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

IX Earnings per Share

The Company reports basic and diluted earnings per equity share in accordance with IND AS-20, 'Earnings per Share'. Basic Earnings per Share is calculated by dividing the Net Profit after Tax for the year attributable to Equity Shareholders of the company by the Weighted Average Number of Equity Shares outstanding during the year

Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the company by the Weighted Average Number of Equity Shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities

X Provisions, contingent liabilities and contingent assets

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the



obligation, in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A Contingent Liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent assets are neither recognised nor disclosed in the financial statement

XI Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

XII Operating lease

Lease arrangements where the risk and benefits incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rentals under operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term

XIII Service tax/ Goods and Service Tax

Service tax/ GST is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilizing the credits.

XIV Operating cycle

Based on the nature of activities of the Company and the normal/estimated time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

