



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, 2020, 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, 2020, the 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 substantial loss incurred by the Company during the year on account of sharp reduction in Revenue coupled with steep increase in the Expected Credit Loss provision made on Receivables, which may impact the ability of the Company to function as a Going Concern. However, after the year end and before this reporting date, Company had entered into new Contracts with Govt. entities/wings, which might mitigate this risk in the future.



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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. 19,50,23,323 which is shown as Trade Receivables (Gross) in Note No.6 to the financial statements, the company has provided an amount of Rs. 13,55,75,016/- 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 principles• Reviewed 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 Loss• Understood the methodology implemented by management in line with above approvals• Assessed the accuracy of computations <p><u>Conclusion:</u></p> <p>Our procedures did not identify any material exceptions.</p>
<p>Out of Rs.19,50,23,323 shown under Trade Receivables (Gross), the company has to receive an amount of Rs.18,32,65,805 (93.97%) 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 end• Obtained 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 Company• Tested subsequent settlement of Trade receivables after Balance Sheet date• Noted that as the customers are either Govt. Entities/SPVs/local bodies/Govt. projects, the risk of realization is low• Further noted that Debtors position is keenly monitored and reviewed <p><u>Conclusion</u></p> <p>Our above procedures did not identify any</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 disclosure 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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

PL Sarath

Place : Vijayawada
Date : 15.06.2020

For SARATH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 005120S

P. L. SARAT
PARTNER (M. No. 237001)



"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 of **M/s. Andhra Pradesh Urban Infrastructure Asset Management Limited** ("the Company") as of 31st March, 2020 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 criteria 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Place : Vijayawada
Date : 15.06.2020

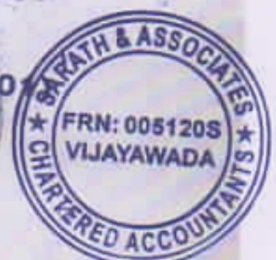
For Sarath & Associates
Chartered Accountants
Firm Registration No: 005120S

P. L. Sarath

CA

For SARATH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 005120S

P. L. SARAT
PARTNER (M. No. 23700)



"Annexure B" to the Independent Auditors Report

(referred to in paragraph 16 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, 2020)

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(ii)(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, 2020
- (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(b) 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.

Place : Vijayawada
Date : 15.06.2020

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

P. L. Sarath

CA
For SARATH & ASSOCIATES,
CHARTERED ACCOUNTANTS
Firm Regn. No. 005120S

P. L. SARATH
PARTNER (M. No. 237001)



ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
BALANCE SHEET AS AT March 31, 2020

	Notes	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
I ASSETS			
<u>NON-CURRENT ASSETS</u>			
Property, Plant and Equipments	2.a	25,39,587	36,55,057
Intangible Assets	2.b	2,42,316	3,26,958
		27,82,103	41,82,015
Financial Assets			
Loans & Advances	3	16,47,600	23,22,600
Deferred tax assets (net)	4	4,03,69,252	78,22,406
Other Non Current Assets	5	74,970	14,92,997
Total Non-current Assets		4,48,73,923	1,58,20,018
<u>CURRENT ASSETS</u>			
Financial Assets			
Trade receivables	6	5,94,48,307	19,53,92,839
Cash and cash equivalents	7	2,57,22,477	9,38,72,473
Other Financial Assets	8	5,23,41,464	2,09,19,677
Other Current Assets	9	7,16,247	6,38,763
Total Current Assets		13,82,28,495	31,08,23,752
TOTAL ASSETS		18,31,02,420	32,66,43,770
II EQUITY AND LIABILITIES			
<u>Equity</u>			
Equity Share capital	10	20,00,00,000	20,00,00,000
Other Equity	11	(7,50,33,562)	7,44,37,948
Total Equity		12,49,66,438	27,44,37,948
<u>LIABILITIES</u>			
<u>NON-CURRENT LIABILITIES</u>			
Financial Liabilities			
Other Financial Liabilities	12	30,68,691	48,22,174
Total Non Current Liabilities		30,68,691	48,22,174
<u>CURRENT LIABILITIES</u>			
Financial Liabilities			
Trade payables	13	5,06,38,871	3,31,69,237
Other Financial liabilities	14	12,48,974	24,89,982
Other Current Liabilities	15	31,09,445	9,104,509
Total Current Liabilities		5,50,67,292	4,73,63,648
TOTAL EQUITY AND LIABILITIES		18,31,02,420	32,66,43,770

Notes 1 to 29 forms part of the Financial Statements

In terms of our report attached

For Sarath & Associates
Chartered Accountants

P. L. Sarath
Partner
P.L. Sarath
M.No.237001

Date: 15-06-2020
Place: Vijayawada



[Signature]
Director

Chief Executive Officer

[Signature]
Chief Financial Officer

[Signature]
Company Secretary

For **SARATH & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Regn. No. **0051208**

P. L. SARATH
PARTNER (M. No. 237001)

ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED March 31, 2020

	Notes	Year Ended March 31, 2020 Rupees	Year Ended March 31, 2019 Rupees
INCOME			
Revenue from operations	16	4,42,83,777	29,00,73,782
Other income	17	22,96,081	49,10,503
TOTAL REVENUE		4,65,41,838	29,49,84,285
EXPENSES			
Employee benefits expense	18	4,80,12,305	5,73,85,777
Depreciation and amortisation expense	2	19,81,048	18,88,191
Other Operating and administrative expenses	19	6,34,80,716	8,44,85,199
Expected Credit Loss	20	11,18,97,144	33,10,530
TOTAL EXPENSES		22,93,71,213	14,70,79,697
PROFIT BEFORE TAX		(18,18,29,375)	5,79,16,708
Tax expense:			
- Current tax			1,73,70,561
- Deferred tax	4	(2,24,88,708)	(1,73,70,561)
- Not tax expense		(3,21,48,708)	1,56,60,781
PROFIT FOR THE YEAR		(14,93,40,687)	4,23,11,008
OTHER COMPREHENSIVE INCOME			
Reversal of loss, will not be reclassified subsequently to Profit & Loss			
Reversal of loss of a net defined benefit liability or asset		(2,08,982)	(3,97,568)
Deferred Tax		98,179	1,09,540
Net Reversal of a net defined benefit liability or asset		(1,50,845)	(2,88,528)
Total Comprehensive Income for the year		(14,94,91,510)	4,20,22,980
EARNINGS PER EQUITY SHARE			
Basic and Diluted	25	(7.47)	2.10
(Price: ₹ 10 per share)			

Notes 1 to 29 form part of the Financial Statements.

For Sarath & Associates
Chartered Accountants

P. L. Sarath

Partner
P.L. Sarath
M. No. 237001

Date: 15-06-2020
Place: Vijayawada



Director

Chief Executive Officer

Chief Financial Officer

Director

Company Secretary

For SARATH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 005120S

P. L. SARAT
PARTNER (M. No. 237001)

ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	Year Ended March 31, 2020 Rupees	Year Ended March 31, 2019 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	(18,18,29,373)	5,79,16,700
Adjustments for:		
Depreciation and amortisation expense	19,81,048	18,88,131
Interest income	(32,66,582)	(49,04,785)
Taxes on ECL impact	3,22,42,586	-
Net Loss/(Profit) on sale of fixed assets	(29,499)	(6,198)
Provision for employee benefits	21,07,515	30,55,154
Operating profit/(loss) before working capital changes	(14,27,94,307)	5,79,49,031
Adjustments for:		
Increase in trade receivables	13,59,44,512	(3,45,44,397)
Increase/decrease in short term and long term loans and advances	(3,07,46,787)	(1,48,96,043)
Increase/decrease in other current assets and non current assets	(3,12,06,304)	(8,64,570)
Increase/decrease in trade payables	1,54,69,636	(83,452)
Increase/decrease in other current liabilities and provisions	(1,29,77,511)	(2,67,08,393)
Cash generated from operations	(7,04,10,741)	(1,90,57,823)
Net income tax (paid)/refund	(2,76,000)	(63,83,643)
Net cash flow from operating activities	(A) (7,06,86,741)	(2,54,41,467)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure on fixed assets	(5,87,573)	(7,31,698)
Proceeds from sale of fixed assets	34,065	24,042
Fixed Deposits with Bank	3,50,00,000	4,53,92,766
Interest received	50,90,233	44,34,768
Net cash flow from investing activities	(B) 3,78,36,745	4,91,19,878
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)	(3,31,49,996)	2,36,78,411
E. Cash and cash equivalents at the beginning of the Year	3,38,72,473	1,01,94,061
F. Cash and cash equivalents at the end of the year	7,22,477	3,38,72,473
	(3,31,49,996)	2,36,78,411

Notes 1 to 29 forms part of the Financial Statements

In terms of our report attached

For Sarath & Associates
Chartered Accountants

Partner
P.L. Sarat
M.No.237001

Date: 15-06-2020
Place: Vijayawada



[Signature]
Director

Chief Executive Officer

[Signature]
Chief Financial Officer

[Signature]
Director
Company Secretary

For SARATH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 005120S

P. L. SARAT
PARTNER 7M No. 237001)

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

Note 2 : Property Plant and Equipments and Depreciation (Amount in Rupees)									
	Gross block				Accumulated depreciation and amortisation				Net block
	Balance as at Apr 1, 2019	Additions	Deductions	Balance as at Mar 31, 2020	Balance as at Apr 1, 2019	For the year	On deductions	Balance as at Mar 31, 2020	Balance as at Mar 31, 2020
(a) Tangible assets (owned)									
Leasehold improvements	-	3,05,200	-	3,05,200	-	34,952		34,952	2,70,248
Vehicle	4,300			4,300	4,299			4,299	1
Office equipment	4,47,240	1,92,474	24,000	6,15,714	3,51,963	2,26,549	24,000	5,54,512	61,202
Electrical Installation & Equipment	5,02,516	12,881		5,15,397	93,507	70,903		1,64,410	3,50,987
Data processing equipment	26,17,499	13,313	11,186	26,19,626	14,29,701	7,94,020	4,750	22,18,971	4,00,655
Furniture & Fixture	28,62,633	63,705		29,26,338	8,99,661	5,70,183		14,69,844	14,56,494
Total	64,34,188	5,87,573	35,186	69,86,575	27,79,131	16,96,606	28,750	44,46,988	25,39,587
(b) Intangible assets (other than self generated)									
Computer software	8,96,296			8,96,296	3,69,338	2,84,442	-	6,53,780	2,42,516
Total	8,96,296	-	-	8,96,296	3,69,338	2,84,442	-	6,53,780	2,42,516
Grand Total	73,30,484	5,87,573	35,186	78,82,871	31,48,469	19,81,048	28,750	51,00,768	27,82,103

For Previous Year

	Gross block				Accumulated depreciation and amortisation				Net block
	Balance as at April 1, 2018	Additions	Deductions	Balance as at Mar 31, 2019	Balance as at April 1, 2018	For the year	On deductions	Balance as at Mar 31, 2019	Balance as at Mar 31, 2019
(a) Tangible assets (owned)									
Vehicle	4,300			4,300	4,299			4,299	1
Office equipment	3,20,760	1,53,880	27,400	4,47,240	1,75,397	1,86,122	9,556	3,51,963	95,277
Electrical Installation & Equipment	4,91,626	10,890		5,02,516	33,882	59,625		93,507	4,09,009
Data processing equipment	24,08,514	2,08,985		26,17,499	6,12,518	8,17,183		14,29,701	11,87,798
Furniture & Fixture	27,72,486	90,147		28,62,633	3,15,489	5,84,172		8,99,661	19,62,972
Total	59,97,686	4,63,902	27,400	64,34,188	11,41,585	16,47,102	9,556	27,79,131	36,55,057
(b) Intangible assets (other than self generated)									
Computer software	6,28,500	2,67,796		8,96,296	1,28,289	2,41,049	-	3,69,338	5,26,958
Total	6,28,500	2,67,796	-	8,96,296	1,28,289	2,41,049	-	3,69,338	5,26,958
Grand Total	66,26,186	7,31,698	27,400	73,30,484	12,69,874	18,88,151	9,556	31,48,469	41,82,015

ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LTD
PREVIOUS YEAR 2019-20
ASSESSMENT YEAR 2020-21

STATEMENT OF DEPRECIATION ADMISSIBLE AS PER INCOME TAX ACT

(Amount in Rupees)

S.No	Description	WDV as on Apr 1, 2019	Additions		Deletion	Total	Rate of Depreciation %	Depreciation For the year	WDV as on Mar 31, 2020
			180 days or More	Less than 180 days					
a.	Plant & Machinery:								
	i) Office Equipments	3,76,504	1,86,305	6,169	28,999	5,39,979	15%	84,884	4,55,095
	ii) Electrical Installation & Equipments	3,95,458	12,881			4,08,339	15%	61,251	3,47,088
b.	Computers & Data Processing Equipments	13,68,644	13,313	-	5,066	13,76,891	40%	5,52,783	8,24,108
c.	Lease Hold Improvements	-	3,05,200		-	3,05,200	10%	30,520	2,74,680
d.	Furniture & Fixtures	24,56,115	46,500	17,205	-	25,19,820	10%	2,51,122	22,68,699
e.	Vehicle	2,874			-	2,874	15%	431	2,443
	TOTAL	45,99,596	5,64,199	23,374	34,065	51,53,104		9,80,991	41,72,113

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, 2019 Rupees	As at April 1, 2019 Rupees	Credited/ (charged) to Statement of Profit and Loss Rupees	As at March 31, 2020 Rupees
Difference between book and tax depreciation	1,15,055	1,15,055	2,71,647	3,86,702
Provision for employee benefits	23,18,422	23,18,422	1,97,927	25,16,349
Preliminary Expenses Written off	2,16,450	2,16,450	(1,07,174)	1,09,276
Expected Credit Loss	54,21,746	54,21,746	3,22,42,586	3,76,64,331
Other Comprehensive Income	(2,49,267)	(2,49,267)	(58,139)	(3,07,406)
Total	78,22,406	78,22,406	3,25,46,847	4,03,69,252

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

	As at Mar 31,2020 Rupees	As at Mar 31,2019 Rupees
3 LOANS AND ADVANCES		
Loans and advances - other than related parties (Unsecured, considered good)		
Security deposits	16,47,600	23,22,600
	16,47,600	23,22,600
5 OTHER NON CURRENT ASSETS		
Gratuity Reimbursement due on opening of Gratuity Trust	74,970	14,92,997
	74,970	14,92,997
6 TRADE RECEIVABLES		
Trade receivables		
- Considered good (Less than Six Months)	1,17,57,518	10,97,44,660
- Considered good (More than Six Months)	18,32,65,805	10,53,26,051
Less:		
Expected Credit Loss(ECL)	(13,55,75,016)	(1,96,77,872)
	5,94,48,307	19,53,92,839
7 CASH AND CASH EQUIVALENTS		
Cash on hand		
Cheques on hand		
Balances with banks		
- in current accounts	4,64,921	75,82,473
- in deposit accounts having maturity within 3 months	2,57,556	2,62,90,000
	7,22,477	3,38,72,473
Cash and cash equivalents (as per Ind AS -7 Cash flow statement)	7,22,477	3,38,72,473
Balances with banks in deposit accounts: maturity beyond 3 months upto 12 months	2,50,00,000	6,00,00,000
	2,57,22,477	9,38,72,473
*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	-	7,65,857
Security deposits	1,32,314	1,10,802
Staff advances	2,65,450	50,000
GST input credit	50,07,464	11,73,232
TDS Recoverable	70,63,130	7,05,929
Andhra Pradesh Urban Development Fund (APUDF)	16,89,588	16,89,588
Other advances	7,63,497	3,56,321
Unbilled Revenue	3,72,14,193	1,55,91,733
Interest Accured on Deposits	2,05,828	4,76,215
	5,23,41,464	2,09,19,677
Less: Provision for doubtful advances	-	-
Total	5,23,41,464	2,09,19,677
9 Other Current Assets		
Prepaid expenses	7,16,247	6,38,763
	7,16,247	6,38,763

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

	As at Mar 31,2020 Rupees	As at Mar 31,2019 Rupees
10 EQUITY SHARE CAPITAL		
AUTHORISED		
20,000,000 Equity shares of Rs 10 each	20,00,00,000	20,00,00,000
Shares of Rs. 10 each	20,00,00,000	20,00,00,000
SUBSCRIBED		
20,000,000 Equity shares of Rs 10 each	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000
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
	20,00,00,000	20,00,00,000
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
Amount of equity shares of Rs 10 each outstanding as at end of the period	20,00,00,000	20,00,00,000
(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
Amount of equity shares of Rs 10 each outstanding as at the end of the period	2,00,00,000	2,00,00,000
(v) Shares in a company held by each shareholder holding more than 5 %		
Name of Shareholder	% of holding	No. of Shares
IL&FS Investment Managers Limited	51	1,02,00,000
Government of Andhra Pradesh , Municipal Administration & Urban Development Department	49	98,00,000
		2,00,00,000
11 Other Equity		
General Reserve		
Opening balance	7,44,57,948	3,24,34,968
Add: (Loss)/ profit for the period	(14,93,40,667)	4,23,11,008
Closing Balance	(7,48,82,719)	7,47,45,976
Other Comprehensive Income	(1,50,843)	(2,88,028)
	(7,50,33,562)	7,44,57,948

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

	As at Mar 31,2020 Rupees	As at Mar 31,2019 Rupees
12 Employee Benefit Obligation		
Gratuity	20,29,396	25,56,136
Compensated absences	<u>10,39,295</u>	<u>22,66,038</u>
	<u>30,68,691</u>	<u>48,22,174</u>
13 TRADE PAYABLES		
-Total outstanding dues of micro enterprises and small enterprises	1,56,236	80,968
-Total outstanding dues of creditors other than micro enterprises and small enterprises	<u>5,04,82,637</u>	<u>3,50,88,269</u>
	<u>5,06,38,873</u>	<u>3,51,69,237</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>10,88,087</u>	<u>23,29,015</u>
	<u>12,48,974</u>	<u>24,89,902</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 expenses		
Provision for employee benefits:		
- Gratuity	1,29,930	1,36,532
- Compensated Absences	25,04,577	20,99,622
- Performance Related Pay	-	57,91,671
- Others	<u>5,44,938</u>	<u>16,76,684</u>
	<u>31,79,445</u>	<u>97,04,509</u>
19 OTHER OPERATING AND ADMINISTRATIVE EXPENSES		
Consultancy expenses	4,07,77,046	5,66,82,915
Rent	43,05,117	47,72,362
Travelling and conveyance	73,36,428	1,18,71,759
Repair and maintenance	14,46,588	13,42,837
Communication expenses	6,45,790	9,54,288
Auditors Remuneration	3,50,000	3,50,000
Director sitting fees	4,80,000	7,00,000
Insurance	20,92,754	16,63,717
Printing and stationery charges	5,22,012	6,87,248
Rates and taxes	71,917	3,55,601
General Office Expenses	30,47,498	27,48,073
Miscellaneous expenses	<u>24,05,566</u>	<u>23,56,399</u>
	<u>6,34,80,716</u>	<u>8,44,85,199</u>

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

	As at Mar 31,2020 Rupees	As at Mar 31,2019 Rupees
20 Expected Credit Loss(ECL)	11,58,97,144	33,10,930
	11,58,97,144	33,10,930
21 Payment /payable to Auditors includes*		
Statutory audit fees	3,50,000	3,50,000
Tax Audit Fees	1,75,000	1,75,000
	5,25,000	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 cancellable 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	28,08,740	36,90,965
Later than one year but not later than five years	27,14,810	89,13,448
	55,23,550	1,26,04,413
23 EXPENDITURE IN FOREIGN CURRENCY:		
Travelling & Conveyance	3,05,140	4,74,891
	3,05,140	4,74,891
24 TAX EXPENSES		
Profit before taxes	-18,18,29,375	5,79,16,709
Computed expected tax expense	-3,24,88,708	1,59,57,501
Add:Effect on non ductuble expense		14,21,759
Less: others (DT effect)	-3,24,88,708	17,73,560
Income Tax Expense	-	1,56,05,700
25 EARNINGS PER EQUITY SHARE:		
Profit after tax attributable to Equity Shareholders	(14,94,91,510)	4,20,22,980
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.)	(7.47)	2.10

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

	Year Ended March 31, 2020	Year Ended March 31, 2019
	Rupees	Rupees
16 REVENUE FROM OPERATIONS		
Sale of services		
- Consultancy income	4,42,45,757	20,00,75,782
	4,42,45,757	20,00,75,782
17 OTHER INCOME		
Interest Income on fixed deposit	32,66,582	49,04,785
Net gain/(loss) arising on sale on fixed Assets	29,499	6,198
	32,96,081	49,10,983
18 EMPLOYEE BENEFITS EXPENSE		
Salaries and allowances	4,42,59,109	5,28,55,100
Contribution to provident and other Funds	33,20,516	33,03,077
Staff welfare expenses	4,32,680	12,27,600
	4,80,12,305	5,73,85,777

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED March 31, 2020

Note 11

(a) Equity share capital

		\
As at March 31, 2019		20,00,00,000
Changes in equity share capital during the year		-
As at Mar 31, 2020		20,00,00,000

(b) Other equity

	Securities Premium Reserve	General Reserve	Retained Earnings	IND AS Adjustment	Total
Balance at April 1, 2017					
Total Comprehensive Income for the year					
Profit			74,87,568	(21,97,567)	52,90,001
Other Comprehensive Income				-	-
Balance at March 31, 2017	-	-	74,87,568		52,90,001
Total Comprehensive Income for the year					
Profit			3,69,44,567	(94,32,198)	2,75,12,369
Other Comprehensive Income				(3,67,402)	(3,67,402)
Balance at Mar 31, 2018	-	-	4,44,32,135		3,24,34,968
Total Comprehensive Income for the year			3,24,34,968		
Profit			4,23,11,008		4,23,11,008
Other Comprehensive Income				(2,88,028)	(2,88,028)
Balance at Mar 31, 2019	-	-	7,47,45,976		7,44,57,948
Total Comprehensive Income for the year			7,44,57,948		
Profit			(14,93,40,667)		(14,93,40,667)
Other Comprehensive Income				(1,50,843)	(1,50,843)
Balance at Mar 31, 2020					(7,50,33,562)

Note 12 : Employee Benefit Obligation

a Actuarial Assumptions for Long - Term Compensated Absenses

	Year Ended March 31, 2020	Year Ended March 31, 2019
Discount rate	6.20%	7.70%
Salary Escalation	6.50%	6.50%
Attrition	2.00%	2.00%

b Defined benefit Obligations

IND AS 19 - calculation of Gratuity

i. Assumptions

	Year Ended March 31, 2020	Year Ended March 31, 2019
Discount rate	6.20%	7.70%
Salary Escalation	6.50%	6.50%
Mortality	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)

ii. Change in benefit obligation

	Year Ended March 31, 2020	Year Ended March 31, 2019
Present Value of Benefit Obligation at the Beginning of the Period	55,41,900	41,61,616
Interest cost	4,27,635	3,24,375
Current Service Cost	5,80,305	7,76,601
Re-measurement (or Actuarial) (gain) / loss arising from:		
-change in demographic assumptions	293	
-change in financial assumption	5,16,730	46,784
-experience variance (i.e. Actual experiencevs assumptions)	(3,41,689)	3,56,448
Benefits paid	(11,48,968)	
Acquisition Adjustment		(1,23,924)
Present Value of Benefit Obligation at the End of the Period	55,76,206	55,41,900

iii. Amount Recognised in the Balance Sheet

	As At March 31, 2020	As At March 31, 2019
Present Value of Benefit Obligation at the End of the Period	(55,76,206)	(55,41,900)
Fair Value of Plan assets at the end of the Period/ Reimbursement Right	34,16,880	28,49,232
Funded Status (Surplus/ (Deficit))	(21,59,326)	(26,92,668)
Net (Liability)/Asset Recognized in the Balance Sheet	(21,59,326)	(26,92,668)

iv. Expenses recognised in the profit and loss account

	Year Ended March 31, 2020	Year Ended March 31, 2019
Current service costs	7,88,082	10,65,597
Interest cost	2,08,982	3,97,568
Expenses charged to the profit and loss account	9,97,064	14,63,165

v. Other Comprehensive Income

	Year Ended March 31, 2020	Year Ended March 31, 2019
Actuarial (gains) / losses		
-change in demographic assumptions	293	
-change in financial assumptions	5,16,730	46,784
-experience variance (i.e. Actual experience vs assumptions)	-3,41,689	3,56,448
Return on plan assets, excluding amount recognised in net interest expense	33,648	(5,664)
Components of defined benefit costs recognised in other comprehensive income	2,08,982	3,97,568

vi. Balance Sheet Reconciliation

	As At March 31, 2020	As At March 31, 2019
Opening Net Liability	55,41,900	41,61,616
Expense Recognized in Statement of Profit or Loss	9,97,064	15,04,208
Net (Liability)/Asset Transfer Out	(86,98,290)	(1,23,924)
Amount Recognised in the balance sheet	(21,59,326)	55,41,900

vii. Fair value of Plan Assest

	As At March 31, 2020	As At March 31, 2019
Fair Value of Plan Assets as at the beginning	28,49,232	-
Investment Income	2,19,858	35,379
Employer's Contribution	16,30,406	21,84,427
Transfer In		6,23,762
Benefits Paid	- 11,48,968	-
Return on plan assets , excluding amount recognised in net interest expense	7,72,546	5,664
Fair Value of Plan Assets as at the end	43,23,074	28,49,232

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 Transit Company Limited

IL&FS Urban Infrastructure Managers Limited

IL&FS Water Limited

(C) KEY MANAGERIAL PERSONNEL

- 1 Mr Prakash Gaur (Chief Executive Officer)
- 2 Mr Vikas Verma (Chief Financial Officer)
- 3 Mr. Veer Raju (Company Secretary) (upto Sep 30, 2019)
- 4 Mrs. Prameela Mekka (Company Secretary) (from Dec 2, 2019)

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, 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 Mar 31, 2020					
Assets					
Liabilities					
Payables			1,54,55,112		1,54,55,112

(Amount in Rupees)

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total March 31, 2019
Income					
Expenses					
Employee Cost			42,96,569		42,96,569
Consultancy fee			84,84,201		84,84,201
Remuneration*		-		1,49,33,017	1,49,33,017
Other Operating expenses	4,10,550				4,10,550
Balances as at March 31, 2019					
Assets					
Liabilities					
Payables			1,94,28,806		1,94,28,806
			-	-	

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, 2020	Period ended March 31, 2019
Income		-	-
Expenses			
Employee Cost			
Deputation Cost			
IL&FS Township & Urban Assets Limited (IIDC Limited)	Fellow Subsidiary	1,33,10,397	26,32,865
IL&FS Urban Infrastructure Managers Limited	Fellow Subsidiary		89,848
IL&FS Water Limited	Fellow Subsidiary	19,79,604	15,73,856
IL&FS Investment Manager Ltd.	Fellow Subsidiary	25,395	
Consultancy Charges			
Tamil Nadu Water Investment Company Limited	Fellow Subsidiary	-	84,84,201
Urban Mass Transit Company Limited		-	19,23,595
Remuneration			
Mr. Prakash Gaur (Chief Executive Officer)	Key Management Personal	76,87,395	71,68,370
Mr. Vikas Verma (Chief Financial officer)	Key Management Personal	47,45,143	43,15,136
Mr. Veer Raju (Company Secretary) (upto Sep 30, 2019)	Key Management Personal	12,74,037	34,49,511
Mrs. Prameela Mekka (Company Secretary) (from Dec 2, 2019)	Key Management Personal	3,46,439	-
Other Operating Expenses			
IL&FS Limited	Ultimate Holding Company	1,68,764	4,10,550
Balances as at		March 31, 2020	March 31, 2019
Receivables			
Payables			
IL&FS Township & Urban Assets Limited (IIDC Limited)	Fellow Subsidiary	83,16,000	98,24,129
Tamil Nadu Water Investment Company Limited	Fellow Subsidiary	42,47,287	76,64,281
Urban Mass Transit Co. Ltd	Fellow Subsidiary	7,26,427	7,26,427
IL&FS Water Limited	Fellow Subsidiary	21,37,972	11,16,933
IL&FS Urban Infrastructure Managers Limited	Fellow Subsidiary	-	97,036
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.

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 procedures 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 reputations.

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

P. L. Sarath

Partner
P.L. Sarath
M.No. 237001



Date: 15-06-2020

Place: Vijayawada

[Signature]

Director

Director

Chief Executive Officer

[Signature]
Company Secretary

[Signature]
Chief Financial Officer

or **SARATH & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Regn. No. 005120S

P. L. SARAT
PARTNER (M. No. 237001)