

INDEPENDENT AUDITOR'S REPORT

To the Members of IL&FS Urban Infrastructure Managers Limited Report on the Audit of Ind AS Financial Statements

Qualified Opinion

1. We have audited the accompanying Ind AS Financial Statements of **IL&FS Urban Infrastructure Managers Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph below, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

2. Attention is invited to Note 33 of the Ind AS Financial Statements which describes the situation faced by the Company in view of the ongoing investigation by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO) against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Ultimate Holding Company'), and its subsidiaries (including the Company). Further, the National Company Law Tribunal (NCLT) has ordered re-opening of books of accounts of IL&FS and its two subsidiaries (other than this Company) for the past financial years as referred to in the note. In view of the aforesaid ongoing investigations of the entire IL&FS Group (including the Company) by the SFIO and re-opening of books of accounts of the Holding Company and two of its subsidiaries by the NCLT, we are unable to comment on the consequential impact(s) upon conclusion of the said investigation and re-opening of the books of account on these Ind AS Financial Statements.
3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 qualified opinion.

Material Uncertainty relating to Going Concern

4. Attention is invited to Note 35 of the Ind AS financial statements regarding management's expectations of the company's ability to, at least, meet its obligations over the next 12 months out of its earnings and liquid assets. As stated therein, the company's plan for new business have been kept on hold pending completion of stake sale by the Ultimate Holding Company in IL&FS Investment Managers Limited (the Holding company) and while there is material uncertainty with regard to the stake sale, the management believes that use of the going concern assumption for preparation of the



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stake sale, the management believes that use of the going concern assumption for preparation of the financial statements is appropriate, considering its solvency over next one year. Our opinion is not modified in respect of this matter.

Emphasis of Matter

- Attention is invited to Note 34 to the Ind AS Financial Statements which describes the impacts of COVID-19 Pandemic on the financial results as also on business operations of the Company, assessment thereof made by the management of the Company based on its internal, external and macro factors, involving certain estimation uncertainties of future periods. Our opinion is not modified in respect of this matter.

Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements for the year under audit. These matters are to be addressed in the context of our audit of the Standalone Ind AS Financial Statements, as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters. In our professional judgement, we have concluded that there are no reportable Key Audit Matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, and such other disclosures related Information, excluding the Ind AS Financial Statements and auditors report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information'.

Responsibility of Management for Ind AS Financial Statements

- The Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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

Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai 400013, India
T: + 91 22 61437333 E: info@kkc.in W: www.kkc.in

Suite 52, Bombay Mutual Building, Sir Phirozshah Mehta Road, Fort, Mumbai 400001, India
LLPIN-AAP-2267



of the 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 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 also responsible for overseeing the Company's financial reporting process.

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

9. Our objectives are to obtain reasonable assurance about whether the 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 Ind AS Financial Statements. Our audit process in accordance with the SAs is narrated in Annexure 1 to this report.

Other Matters

10. The entire audit finalization process for the year under report was carried out from remote locations i.e. other than the office of the Company where books of account and other records are kept, based on data/details or financial information provided to us through digital medium, owing to restricted movements and partial lockdown imposed by the Authorities to restrict the spread of COVID-19. Being constrained, we resorted to and relied upon the results of the related alternate audit procedures to obtain sufficient and appropriate audit evidence for the significant matters in course of our audit. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the Annexure 2, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. 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. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, 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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. According to the information & explanations given to us by the management and in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Accounting Standards) Rules, 2015.

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- e. The matter relating to going concern described under para 4 above and matters relating to investigation by SFIO against IL&FS and its subsidiaries (including the Company) and NCLT order of re- opening of books of accounts of IL&FS and its two subsidiaries (other than this Company) for the past financial years described in paragraph 2 above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of the written representations received from the directors as on March 31, 2021, 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.
- g. With respect to the adequacy of the internal financial controls with reference to financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 3.
- h. In terms of provisions of Section 197(16) of the Act, as per the information and explanations given, no remuneration is paid by the Company to its Directors during the year under report.
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Khimji Kunverji & Co LLP

Chartered Accountants

Firm's Registration No.: 105146W/W100621



Hasmukh B. Dedhia

Partner

Membership No: 033494



ICAI UDIN: 21033494AAAAIM1315

Place: Mumbai

Date: June 16, 2021

Annexure 1 to the Independent Auditors' Report to the members of IL&FS Urban Infrastructure Managers Limited

[referred to in para 9 titled 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements']

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.



Annexure 2 to the Independent Auditors' Report to the members of IL&FS Urban Infrastructure Managers Limited

[referred to in para 11 under 'Report on Other Legal and Regulatory Requirements']

- i. (a) According to the information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As informed to us, fixed assets are physically verified by the Management at regular intervals. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its business; According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no immovable property held by the Company.
- ii. The business operations of the Company comprising of rendering asset management, advisory and allied services, do not require holding of any inventories. Thus paragraph 3 (ii) of the Order is not applicable to it.
- iii. The Company has not granted during the year under report any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the requirement of clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or securities covered under Section 185 and 186 of the Act and in respect of Investments made by company, provisions of Section 186 of the Act have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, requirements of paragraph 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act for the business activities carried out by the Company. Thus, reporting under paragraph 3 (vi) of the Order is not applicable.
- vii. In respect of Statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Goods and Service Tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, employees' state insurance, wealth tax, duty of customs, duty of excise and value added tax.
According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed statutory dues payable in respect to the above statutes, outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, Sales-tax, Service tax, Goods and Service Tax and Value added tax which have not been deposited as on March 31, 2021 on account of disputes.



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- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loan or borrowing from financial institution, banks, Government and debenture holders. The Company has not taken loans or borrowings from government and financial institutions. Thus, paragraph 3 (viii) of the Order is not applicable to the Company.
- ix. In our opinion and according to the information and explanations given to us, Company did not raise any money by way of initial public offer (including debt instruments) and loans. Hence, paragraph 3 (ix) of the Order is not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management of the Company.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, it has not paid/provided for managerial remuneration during the year under report. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us by management and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable, and details of such transactions have been disclosed in the Ind AS Financial Statements as required under applicable Indian Accounting Standards. The Company doesn't have Audit Committee and accordingly section 177 is not applicable.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, it has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to it.
- xvi. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

For Khimji Kunverji & Co LLP

Chartered Accountants

Firm's Registration No.: 105146W / W-100621



Hasmukh B. Dedhia

Partner

Membership No: 033494



ICAI UDIN: 21033494AAAAIM1315

Place: Mumbai

Date: June 16, 2021

Khimji Kunverji & Co LLP

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Annexure 3 to the Independent Auditors' Report to the members of IL&FS Urban Infrastructure Managers Limited

[referred to in paragraph 12(g) under 'Report on Other Legal and Regulatory Requirements']

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Act

Opinion

We have audited the internal financial controls with reference to financial statements of **IL&FS Urban Infrastructure Managers Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has an internal financial controls system over financial reporting, design whereof needs to be enhanced to make it comprehensive. Based on verification of process controls matrixes and other relevant documents, made available to us for the financial year under report and thereafter, in our opinion and considering the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"), the operating effectiveness of such process controls and appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Company and nature of its business.

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 with reference to financial statements 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, & testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.



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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 with reference to Financial Statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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
- (c) 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 Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Khimji Kunverji & Co LLP

Chartered Accountants

Firm's Registration No.: 105146W /W100621



Hasmukh B. Dedhia

Partner

Membership No: 033494



ICAI UDIN: 21033494AAAAIM1315

Place: Mumbai

Date: June 16, 2021

IL&FS URBAN INFRASTRUCTURE MANAGERS LIMITED
CIN: U67190MH2006PLC162433
BALANCE SHEET AS AT MARCH 31, 2021

Amount (₹)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	372,798	608,750
(b) Capital work-in-progress		-	-
(c) Other Intangible assets	2	20	541,087
		372,818	1,149,837
Financial Assets:			
(i) Loans	3	-	509,104
(ii) Other Financial Assets	4	185,000	185,000
Total Financial assets		185,000	694,104
Deferred tax assets (net)	5	-	-
Income Tax Asset (net)	6	22,366,367	24,827,583
Sub Total (A)		22,924,185	26,671,524
Current assets			
(a) Financial Assets:			
(i) Trade receivables	7	9,190,414	4,980,640
(ii) Cash and Cash Equivalents	8	24,746,277	3,163,436
(iii) Other Bank Balances	9	31,150,000	20,300,000
(iv) Loans	10	509,106	13,989
(v) Other Financial Assets	11	6,482,875	11,280,727
(b) Other current assets	12	798,116	3,361,253
Sub Total (B)		72,876,788	43,100,045
TOTAL ASSETS (A+B)		95,800,973	69,771,569
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	10,000,000	10,000,000
(b) Other Equity	14	78,302,941	53,428,931
Sub Total (C)		88,302,941	63,428,931
LIABILITIES			
Non-Current Liabilities			
(a) Other non-current liabilities		-	-
(b) Employee benefit obligations	15	2,381,067	1,888,653
Sub Total (D)		2,381,067	1,888,653
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	16	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	16	958,861	2,519,537
(ii) Other Financial Liabilities	17	286,502	197,894
(b) Employee benefit obligations	18	339,456	312,189
(c) Other current liabilities	19	3,532,146	1,424,365
Sub Total (E)		5,116,965	4,453,985
TOTAL EQUITY AND LIABILITIES (C+D+E)		95,800,973	69,771,569

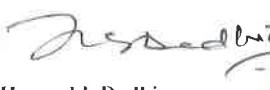
The accompanying notes are an integral part of Financial Statements.

In terms of our report attached

For Khimji Kunverji & Co LLP

Chartered Accountants

Firm Registration No: 105146W/W100621


Hasmukh Dedhia

Partner

Membership No. 033494

Place: Mumbai

Date: 16th June, 2021



For and on behalf of the Board


Manoj Borkar

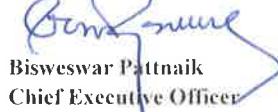
Director

DIN :00060698


Baiju Mathew

Director

DIN :05274214


Bisweswar Pattnaik

Chief Executive Officer

Place: Mumbai

Date: 16th June 2021



IL&FS URBAN INFRASTRUCTURE MANAGERS LIMITED
CIN: U67190MH2006PLC162433

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

Particulars		Note No.	For the year ended	Amount (₹)
			March 31, 2021	March 31, 2020
Revenue:				
I	Revenue from operations	20	41,634,939	18,060,233
II	Other Income	21	18,672,998	14,918,599
III	Total Revenue (I + II)		60,307,937	32,978,832
IV	Expenses:			
(a)	Employee benefits expense	22	26,442,524	27,075,374
(b)	Depreciation and amortization expense	2	854,569	1,795,356
(c)	Legal & Professional Expenses		3,790,100	4,994,858
(d)	Other expenses	23	4,466,345	8,246,413
	Total expenses		35,553,538	42,112,001
V	Profit/(Loss) before exceptional items and tax (III - IV)		24,754,399	(9,133,169)
VI	Exceptional Item – Bad debts written off (Refer Note 7 & 11)		-	-
VII	Profit / (Loss) Before tax (V - VI)		24,754,399	(9,133,169)
VIII	Tax expense / (benefits) :			
	Current tax	30	-	-
	Deferred tax	5	-	-
	Prior Year Taxes		-	606,882
	Total Tax expense		-	606,882
IX	Net Profit / (Loss) after Tax (VII - VIII)		24,754,399	(9,740,051)
X	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Actuarial Gain/(Loss) of the defined benefit plans [net]		119,611	(119,202)
	Items that will be reclassified to profit or loss		-	-
XI	Total Comprehensive income for the period (IX + X)		24,874,010	(9,859,253)
	Earnings per equity share			
	Equity shares of par value ₹10 each			
	Basic & diluted	25	24.75	(9.74)

The accompanying notes are an integral part of Financial Statements.

In terms of our report attached

For and on behalf of the Board

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No: 105146W/W100621

Assedhia
Hasmukh Dedhia
Partner
Membership No.033494
Place: Mumbai
Date: 16th June, 2021



Bajrakar *Baiju*
Manoj Borkar
Director
DIN :00060698
Baiju Mathew
Director
DIN :05274214

Bisweswar
Bisweswar Pattnaik
Chief Executive Officer
Place: Mumbai
Date: 16th June, 2021



Statement of Changes in Equity

a. Equity Share Capital

	Note	Amount in ₹
Balance as at April 1, 2019		10,000,000
Changes in equity share capital		-
Balance as at March 31, 2020	13	10,000,000
Changes in equity share capital		-
Balance as at March 31, 2021	13	10,000,000

b. Other equity

	General Reserve	Retained Earnings	Total
Balance as at April 1, 2019	8,785,027	54,503,157	63,288,184
Addition during the year from issue of equity shares	-	-	-
Total Comprehensive Income for the year			
Profit/(loss) for the year	-	(9,740,051)	(9,740,051)
Other Comprehensive Income / (Expense)	-	(119,202)	(119,202)
Remeasurement of defined benefit liability	-	-	-
Balance as at March 31, 2020	8,785,027	44,643,904	53,428,931
Addition during the year from issue of equity shares	-	-	-
Total Comprehensive Income for the year			
Profit/(loss) for the year	-	24,754,399	24,754,399
Other Comprehensive Income/ (Expense)	-	119,611	119,611
Remeasurement of defined benefit liability	-	-	-
Balance as at March 31, 2021	8,785,027	69,517,914	78,302,941

In terms of our report attached

For and on behalf of the Board

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No: 105146W/W100621

Hasmukh Dedhia
Hasmukh Dedhia
Partner
Membership No. 033494
Place: Mumbai
Date: 16th June 2021



Manoj Borkar *Baiju Mathew*
Manoj Borkar
Director
DIN :00060698
Baiju Mathew
Director
DIN :05274214

Bisweswar Pattnaik
Bisweswar Pattnaik
Chief Executive Officer
Place: Mumbai
Date: 16th June 2021



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Sr. No.	Particulars		Amount (₹)	
			Year ended 31-Mar-2021	Year ended 31-Mar-2020
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	PROFIT/(LOSS) BEFORE TAX		24,754,399	(9,133,169)
	Adjustments for:			
	Depreciation and amortization expense		854,569	1,795,356
	Interest Income		(913,993)	(1,776,604)
	Provision for Bad & Doubtful Debts		(815,544)	(5,171,629)
	Other Comprehensive Income / (Expense)		119,611	(119,202)
	Loss on sale of Property Plant and Equipment (Net)		-	(37,006)
	Operating Profit / (Loss) before working capital changes		23,999,042	(14,442,254)
	Changes in working capital			
	Adjustment for (increase) / decrease in operating assets:			
	Trade Receivables		(6,177,526)	6,812,612
	Other Current Assets		2,563,137	(304,547)
	Other Financial Assets (Current)		6,893,845	(6,637,723)
	Other Financial Assets (non-current)		509,104	2,224,730
	Adjustment for increase / (decrease) in operating liabilities:			
	Trade Payables		(1,560,676)	(2,545,896)
	Other Current Liabilities		2,107,781	81,047
	Short Term Provisions		27,267	(5,804,927)
	Other Financial Liabilities		88,608	84,893
	Long Term Provisions		492,414	(300,482)
	Cash generated from / (used in) operations		28,942,996	(20,231,583)
	Less: Net Income tax (paid) / refund received		2,461,216	10,953,863
	Net Cash flow from / (used in) operating activities	A.	31,404,212	(9,277,720)
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Interest Income		1,106,179	1,750,881
	Redemption from / (Investment in) Fixed Deposits		(10,850,000)	10,100,000
	Capital expenditure on Property, Plant and Equipment including capital advance		(77,550)	(795,846)
	Proceeds from sale of Property, Plant and Equipment		-	72,664
	Net Cash flow from / (used in) investing activities	B.	(9,821,371)	11,127,699
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Dividend paid (including dividend tax)		-	-
	Net Cash flow used in financing activities	C.	-	-
D.	Net Increase / (Decrease) in Cash and Cash Equivalents	(A + B + C)	21,852,841	1,849,979
	Add: Cash and Cash Equivalent at the beginning of the year		3,163,436	1,313,457
	Cash and Cash Equivalent at the end of the year (Refer Note 8)		24,746,277	3,163,436



The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached

For and on behalf of the Board

For Khimji Kunverji & Co LLP

Chartered Accountants

Firm Registration No: 105146W/W100621



Hasmukh Dedhia

Partner

Membership No.033494

Place: Mumbai

Date: 16th June, 2021





Manoj Borkar

Director

DIN :00060698



Baiju Mathew

Director

DIN :05274214



Bisweswar Patnaik

Chief Executive Officer

Place: Mumbai

Date: 16th June 2021



Note 1: Notes forming part of the financial statements for the year ended March 31, 2021.

A. Corporate Information

IL&FS Urban Infrastructure Managers Limited (“Company”) was incorporated on May 24, 2006 and is a wholly owned subsidiary of IL&FS Investment Managers Limited. The Company functions as the Asset Manager for the Pooled Municipal Debt Obligations (PMDO) Facility. The objective of the PMDO Facility is to provide long tenure term loans to meet the debt requirements of urban infrastructure projects across cities in India. Accordingly, the Company is in the business of providing asset management and advisory services. The Company is a public Limited Company incorporated and domiciled in India. The address of its corporate office is IL&FS Financial Centre, Plot C-22, G-Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051.

B. Significant Accounting Policies

a) Statement of compliance

The 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 (CA 2013) read with the Companies (Indian Accounting Standards) Rules as amended from time to time. Effect on account of first time Adoption of Ind AS was provided in the Financial Statements for the year ended March 31, 2019.

These Financial Statements are approved by the Board of Directors and authorised for issue on June 16, 2021.

b) Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the 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 may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

Note 32 - Impairment of financial assets (including trade receivable)

Note 15 - Estimation of defined benefit obligations

Note 35 - Estimation for preparation of financials under going concern assumption

Note 29 – Provisions & Contingent Liabilities

c) Fair value measurement

Measurement of fair values

A number of the Company’s accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities



Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

Further information about the assumptions made in measuring fair values is included in Note 31-Financial instruments

d) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value (except for trade receivables which are initially measured at transaction price) plus, for an item not at fair value through profit and loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (“FVOCI”)
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition except if in the period the Company changes its business model for managing the financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.



Subsequent measurement and gains and losses are recognized as :

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial Asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Cash and cash equivalents

Cash comprises of demand deposits with banks. Cash equivalents are short-term balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balance, as defined above as they are considered an integral part of the Company cash management.



f) Revenue Recognition

i) Rendering of Services

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognize revenue and at what amount.

Revenue is recognized when it is realized or realizable and earned. Revenue is considered as realized or realizable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collectability is reasonably assured.

Revenue from services is recognized in the accounting period in which the services are rendered.

- a. Income from upfront fee is recognized at rates agreed upon with borrowers on execution of loan documents between PMDO lenders and its borrower.
- b. Asset Management Fee from borrowers of PMDO Facility is recognized when it is reasonably certain that the revenue will flow to the Company at rates agreed upon with borrowers of PMDO Facility on the outstanding loan balance over the term of funding.
- c. Asset Management Fee from member lenders under PMDO Facility is recognized when it is reasonably certain that the revenue will flow to the Company at rates agreed upon with member lenders on the principal outstanding of NPA accounts under the PMDO Facility.
- d. Consultancy fee and Professional fee are recognized when it is reasonably certain that the revenue will flow to the Company at the rates agreed upon.

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

ii) Recognition of Interest Income

Interest income on fixed deposits is accrued proportionately based on period for which the same is placed.

g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use as intended by the management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows :-

Category of Asset	Estimated Useful Life (in years)
Assets:	
Furniture and Fixtures	5
Data Processing Equipments	3
Office Equipments	4
Lease hold improvement	Over the lease period
Intangible Assets:	
Computer Software	3



As per CA 2013, depreciation of Property, Plant and Equipment has to be provided based on estimated useful life as per Schedule II of the Companies Act 2013. However, there are certain categories of assets in whose cases the 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 100% during the year of capitalization due to extensive usage and technological obsolescence.
- (ii) Furniture and Fixtures as per current policy of 5 years as against the useful life of 10 years provided in the CA 2013
- (iii) Office equipment as per current policy of 4 years as against the useful life of 5 years provided in the CA 2013
- (iv) Individual assets costing ₹ 5,000 or less in the year of capitalization shall be depreciated 100% for all the categories of assets.

Residual value of all assets is retained at ₹ 1.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying of the asset and is recognized in profit or loss.

In case of assets sold/discard during the year, depreciation is provided proportionately up to the date of sale/discard.

Intangible Assets: Intangible Assets consist of Computer Software which has been purchased by the Company. Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are carried at cost less any accumulated depreciation and accumulated impairment losses. Intangible assets are amortised over their useful economic life on a straight-line basis and assessed for impairment, if any.

h) Impairment

(a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 and Ind AS 115.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

(b) Non- financial assets

Intangible assets and property, plant and equipment

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 recognized, 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 recognized for an asset in earlier accounting periods no longer



exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

i) Employee Benefits

- i. Short Term Obligations: Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled.
- ii. Retirement benefit costs and termination benefits: Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund.

The Company provides for gratuity, a defined benefit plan (funded with Life Insurance Corporation of India). Incremental liability for gratuity based on actuarial valuation/management estimates as per the projected unit credit method as at the reporting date, is charged as expenses in the Statement of Profit and Loss. Actuarial gains and losses arising from changes in actuarial/management assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

- iii. Leave Encashment: The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the actual number of days of unutilized leave at each Balance Sheet date on the basis of an management estimate/independent actuarial valuation.

j) Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 - Leases. At the inception of a contract, assessment is being done by Company whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

As a Lessor:

A lessor shall classify each of its leases as either an operating lease or finance lease.

As a Lessee:

At the commencement date, a lessee shall recognise a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses would be depreciation charge for ROU assets and interest expense on lease liabilities. A lessor shall classify each of its leases as either an operating lease or a finance lease.

The Company in the capacity of lessee has classified each of its leases as short-term leases (having a lease term of 12 months or lower) and has recognised the lease payments as an expense on either a straight-line basis over the lease term or another systematic basis. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

k) Taxation

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 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.

I) Provisions, (other than for employee benefits), contingent liabilities, contingent assets and commitments

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying / development of assets and amounts pertaining to Investments which have been committed but not called for.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date



m) Cash flow Statements

- i) 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 and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
- ii) Cash comprises cash on hand, balance in Bank current account 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.

n) Earnings Per Share

In determining earnings per share, the Company considers the profit attributable to the owners of the company. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of additional equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date.

o) Goods and Service Tax

Goods and Services 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 the credits.

p) Segment reporting:

An operating segment is a component of a Company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relates to transactions with any of the Company's other components, for which discrete financial information is available, and such information is regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make key decision on operations of the segments and assess its performance. The Company operates in one reportable business segment i.e., “Asset Management and other related services”.

q) Operating Cycle

Based on the nature of activities of the Company and the normal 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.

r) Functional Currency

The financial statements are prepared in Indian Rupees, which is the Company's functional and presentation currency.



Note 2: Property, Plant and Equipment

(Amount in ₹)

Description of Asset	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Computer	Total
I) Deemed Cost					
Balance as at 1 April 2019	5	15,025	796,094	290,793	1,101,917
Additions	306,905	1,100	370,139	117,700	795,844
Disposals	-	(20)	(233,401)	(6)	(233,427)
Balance as at 31 March 2020	306,910	16,105	932,832	408,487	1,664,334
Additions	-	-	-	77,550	77,550
Disposals	-	-	-	-	-
Balance as at 31 March 2021	306,910	16,105	932,832	486,037	1,741,884
II) Accumulated Depreciation and impairment					
Balance as at 1 April 2019	-	8,141	531,245	205,002	744,388
Deletion on disposal of sale	-	-	(197,776)	-	(197,776)
Depreciation expense for the year	167,403	5,883	232,106	103,579	508,972
Balance as at 31 March 2020	167,403	14,024	565,575	308,581	1,055,584
Deletion on disposal of sale	-	-	-	-	-
Depreciation expense for the year	139,503	2,045	116,612	55,342	313,502
Balance as at 31 March 2021	306,906	16,069	682,187	363,923	1,369,086
III) Net Carrying Amount					
Balance as at 31 March 2020	139,507	2,081	367,257	99,906	608,750
Balance as at 31 March 2021	4	36	250,645	122,114	372,798

Other Intangible Assets

(Amount in ₹)

Description of Assets	Intangible Assets
I) Deemed Cost	
Balance as at 1 April 2019	3,980,556
Additions	-
Disposals	(7)
Balance as at 31 March 2020	3,980,549
Additions	-
Disposals	-
Balance as at 31 March 2021	3,980,549
II) Accumulated Depreciation and impairment	
Balance as at 1 April 2019	2,153,079
Deletion on disposal of sale	-
Depreciation expense for the year	1,286,383
Balance as at 31 March 2020	3,439,462
Deletion on disposal of sale	-
Depreciation expense for the year	541,067
Balance as at 31 March 2021	3,980,529
III) Net Carrying Amount	
Balance as at 31 March 2020	541,087
Balance as at 31 March 2021	20



Note 3: Non-current Loans

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Unsecured, considered good		
Loans to Employees	-	509,104
Total	-	509,104

Note 4: Other Financial Assets

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Security Deposits (Unsecured, considered good)	185,000	185,000
Total	185,000	185,000

Note 5: Deferred Tax Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets (Net)	-	-
Total	-	-

No deferred tax Asset has been recognised as it is not probable that future taxable profits will be available against which it can be used.

Note 6: Income Tax Assets

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Non-Current		
Advance payment of Taxes (Net of provision of ₹ 10,169,621 (PY ₹ 9,559,746))	22,366,367	24,827,583
Total	22,366,367	24,827,583

Note 7: Trade receivables

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Trade Receivables		
Secured	70,082,076	63,904,549
Less: Written Off *	(27,288,740)	-
Less: Allowance for Expected Credit Losses	(33,602,922)	(58,923,909)
Total	9,190,414	4,980,640

Note:-

In determining the allowances for doubtful trade receivables, the company used a practical expedient by computing the expected credit loss allowance for trade receivable by taking into account historical credit loss experience. The expected credit loss allowance is based on ageing of the receivables that are due.



As per the 'Resolution Framework' approved by the National Company Law Appellate Tribunal (NCLAT), Mumbai and National Company Law Tribunal (NCLT), entire stake in IL&FS Environmental Infrastructure & Services Ltd (IEISL), East Delhi Waste Processing Company Ltd (EDWPCL) and RDF Power Projects Ltd (RDFPPL) was sold to investors. Since the sale consideration offered by investors was lesser than the liquidation value of these companies, entire consideration was distributed to secured financial creditors only and IUIML, being a secured operational creditor, did not get any share.

Total AMC fees due from these Companies amounted to ₹ 27,288,740/- (Comprising of IEISL- ₹ 6,493,943/-, EDWPCL- ₹ 8,948,051/- and RDFPPL - ₹ 11,846,746/-). Considering the uncertainty in recovery, Company had already made 100% provision against these dues as at March 31, 2020. Currently, based on the above facts, entire dues from IEISL, EDWPCL and RDFPPL amounting to ₹ 27,288,740/- has been written off during the year.

Note 8: Cash and cash equivalents

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
(a) Cash on hand	239	639
(b) Balances with banks		
In current accounts	23,246,038	3,162,797
In fixed deposits account with original maturity less than 3 months)	1,500,000	-
Total Cash and Cash Equivalents	24,746,277	3,163,436

Note 9: Other Bank Balances

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
(a) Earmarked balances with banks	-	-
(b) Balances with banks		
In fixed deposits account with original maturity more than 3 months	31,150,000	20,300,000
Total Other Bank Balances	31,150,000	20,300,000

Note 10: Loans

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Loan to Employees	509,106	13,989
Total	509,106	13,989



Note 11: Other Financial Assets

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
(a) Loan Receivable (Inter Corporate Deposit)	-	-
Less: Impairment Loss Allowance *	-	-
Loan Receivable (a)	-	-
(b) Interest Accrued But Not Due on Fixed Deposits & Inter Corporate Deposit	232,527	424,713
Less: Impairment Loss Allowance *	-	-
Interest Accrued (Net of Provision) (b)	232,527	424,713
(c) Advances to Employees	8,075	18,595
(d) Other advances **	373,385	2,375,244
(e) Contractually Reimbursable expenses:	14,501,862	19,878,445
Less: Allowance for expected Credit Losses	(8,526,294)	(11,416,270)
Less: Written Off ***	(106,680)	-
Contractually Reimbursable expenses	5,868,888	8,462,175
Total Other Financial Assets (a + b + c + d + e)	6,482,875	11,280,727

* In respect of Inter Corporate Deposit ("ICD") given to IFIN, the total outstanding due as on March 31, 2020 including interest is ₹ 212,99,637. During the FY 2018-19, IFIN defaulted on their debt obligations and their credit rating was downgraded to Default ("D") status. The ICD placed by the Company with IFIN are unsecured. Considering the uncertainty around timing and the amount to be realised through the resolution process to be approved by the National Company Law Tribunal, the management had provided for the entire amount due towards Inter corporate deposit including the accrued interest in FY 2018-19. During the year 2019-20, the said provision of ₹ 21,299,637 was entirely written off.

** It includes security deposit of ₹ 373,385 recoverable from erstwhile landlord of Chennai office space.

*** Reimbursable expenses of ₹ 106,680/- written off during the year comprises of dues from EDWPCL - ₹ 14,484/-, RDFPPL - ₹ 63,055/- and IL&FS Infrastructure Development Corporation Ltd, (IIDC) - ₹ 29,141/- Considering the uncertainty in recovery, 100% provision was already made against these dues in the books of IUIML as at March 31, 2020.

With respect to EDWPCL and RDFPPL, the recovery status is discussed in detail in note number 7 above, and IUIML did not get any share in the resolution process despite being a secured operational creditor. Accordingly, entire reimbursable expenses dues from EDWPCL and RDFPPL amounting to ₹ 77,539/- has been written off during the year.

With merger of IIDC with IL&FS Township and Urban Assets Ltd with retrospective effect, it was observed that the dues from IIDC towards workstation sharing charges since FY 2018- 19 could not be recovered and hence ₹ 29,141/- has been written off during the year.



Note 12: Other Current Assets

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Advances other than Capital Advances		
(i) Balances with Government Authorities (other than Income Taxes)		
(a) GST Credit Available	533,646	2,917,564
Sub Total (i)	533,646	2,917,564
(ii) Others		
(a) Prepaid expenses	153,220	241,401
(b) Prepaid Gratuity	111,250	202,288
Sub Total (ii)	264,470	443,689
Total	798,116	3,361,253

Note 13: Equity Share Capital

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Authorised		
Equity shares of Rs. 10 each with voting rights (20,00,000 - No. of shares)	20,000,000	20,000,000
Issued, Subscribed & Paid-up		
Equity shares of Rs. 10 each with voting rights (10,00,000 – No. of shares)	10,000,000	10,000,000
Total	10,000,000	10,000,000

i) Reconciliation of the number of shares outstanding at the beginning of the year and end of the year:

Particulars	Opening Balance	Issued during the year	Closing Balance
As at March 31, 2021			
Number of Shares	10,00,000	-	10,00,000
Amounts (₹)	10,000,000	-	10,000,000
As at March 31, 2020			
Number of Shares	10,00,000	-	10,00,000
Amounts (₹)	10,000,000	-	10,000,000

ii) Details of Holding Company and shareholders holding more than 5% of the share capital:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IL&FS Investment Managers Limited	10,00,000	100%	10,00,000	100%



Note 14: Other Equity

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
General Reserve		
Opening Balance	8,785,027	8,785,027
Add: Appropriation from Profit and Loss Account	-	-
Less: Utilised during the year	-	-
Balance at the end of the year (A)	8,785,027	8,785,027
Surplus in Statement of Profit & Loss		
Opening Balance	44,643,904	54,503,157
Add: Profit/(Loss) for the year	24,874,010	(9,859,253)
Less: Transfer to General Reserve	-	-
Closing Balance (B)	69,517,914	44,643,904
Grand Total (A+B)	78,302,941	53,428,931

Nature and purpose of reserve:

i) General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Note 15: Employee benefit obligations

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Provision for employee benefits :		
Compensated Absences	2,381,067	1,888,653
Gratuity Payable	-	-
Total	2,381,067	1,888,653

Disclosure as required under IND AS 19 on “Employee Benefits” (revised) is as under

a) Defined Contribution Plan

The Company has recognized ₹ 715,188/- (Previous year ₹ 724,950/-) in the Statement of Profit and Loss under Company's Contribution to Provident Fund, which is maintained with the office of Regional Provident Fund Commissioner, Chennai and ₹ 613,225 /- (Previous year ₹ 598,706/-) on contribution to Superannuation Fund maintained with Life Insurance Corporation of India and NPS contribution of ₹ 59,722 /- (Previous year ₹ 72,562).

There has been a judgement dated February 28, 2019 from Supreme Court of India in relation to the components of salary structure which need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company has deducted provident fund as per Supreme Court judgement with effect from 01 April 2019. But in the absence of any notification from PF Authorities, the Company has not deducted additional provident fund of previous years yet. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.



b) Defined Benefit Plans -

The Company operates funded post retirement defined benefit plans for gratuity, details of which are as follows:

Changes in the present value of obligation in the inter-valuation year	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Liability as at the beginning of the year	1,796,541	1,536,498
Add: Interest Cost	118,713	108,726
Add: Current Service Cost	224,000	227,972
Less: Benefits Paid directly by the Company	-	-
Less: Benefits Paid directly from the Assets	(12,071)	(200,450)
Add: Past Service Cost	-	-
Add: Settlement Cost	-	-
Add: Curtailment Cost	-	-
Actuarial (gain) / loss (Financial Assumptions)	-	-
Actuarial (gain) / loss (Demographic Assumptions)	-	-
Actuarial (gain) / loss (Experience adjustments)	(102,786)	123,795
Liability as at the end of the year	2,023,857	1,796,541

Changes in the Plan Assets in the inter-valuation Period	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Value of Assets as at the beginning of the year	1,998,829	2,039,488
Add: Adjustments to the Opening Balance	-	-
Add: Expected (modified) Return on Assets	131,524	147,108
Add: Contributions made	-	8,089
Less Benefits Paid out of the Assets	(12,071)	(200,450)
Return on Plan Assets excluding Expected (modified) income	16,825	4,593
Value of Assets as at the end of the year	2,135,107	1,998,829

Other Comprehensive Income (Net Actuarial gain / loss)	For the year ended Mar 31, 2021 (₹)	For the year ended Mar 31, 2020 (₹)
Actuarial gain / (loss)		
experience variance (i.e. Actual experience vs assumptions)	102,786	(123,795)
-change in demographic assumptions	-	-
-change in financial assumptions	-	-
Less Excess Return on Plan Assets over expected returns:	16,825	4,593
Actuarial gain/(loss) in inter-valuation Period recognized in OCI:	119,611	(119,202)
Adjustment for Limit on net assets	-	-

Assets and Liability (Balance Sheet Position)	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Present value of obligation on the accounting date:	(2,023,857)	(1,796,541)
Fair Value of Plan Assets on the accounting date:	2,135,107	1,998,829
Effect of Asset Ceiling	-	-
Net Asset / (liability)	111,250	202,288
Funded Status	111,250	202,288
Unrecognized Liability	-	-



	For the year ended March 31, 2021 (₹)	For the year ended March 31, 2020 (₹)
Expense to be recognized in Profit and loss		
Net Interest Cost	(13,351)	(38,383)
Current Service Cost	224,000	227,972
Past Service Cost	-	-
Curtailment Cost (Credit)	-	-
Settlement Cost (Credit)	-	-
Expense to be recognized in Profit and loss	210,649	189,589

	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Principal Actuarial Assumptions		
Discount Rate (Liabilities)	6.66%	6.60%
Interest Rate (Rate of Return on Assets)	6.66%	6.60%
Salary escalation Rate (per annum)	5.00%	5.00%
Resignations Rate (per annum)	5.00%	5.00%
Mortality	IALM (2012-14)	IALM (2012-14)

	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Reconciliation		
Net (Asset) / Liability as at the beginning of the accounting year	(202,288)	(502,990)
Expenses recognized in profit and loss	210,649	189,589
Transferred to Other Comprehensive Income	(119,611)	119,202
Less: Adjustments to last valuation Closing Balance	-	-
Less: Benefits paid directly by the Company	-	-
Less: Contributions made to the fund	-	(8,089)
Net (Asset) / Liability recognized in the Balance Sheet as on the accounting date	(111,250)	(202,288)

	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Actual Return on Plan Assets		
Expected return on Plan Assets	131,524	147,108
Actuarial gain / (loss) on Plan Assets	16,825	4,593
Actual return on Plan Assets	148,349	151,702

As at March 31, 2021	Changes in Assumptions	Amount (₹)	
		Increase	Decrease
Discount Rate	0.5%	(79,375)	84,310
Salary Escalation Rate	0.5%	87,932	(83,492)
Employee Turnover	0.5%	10,546	(11,047)

As at March 31, 2020	Changes in Assumptions	Amount (₹)	
		Increase	Decrease
Discount Rate	0.5%	(74,626)	79,539
Salary Escalation Rate	0.5%	82,902	(78,445)
Employee Turnover	0.5%	10,072	(10,579)



Other Details

The employer's best estimate of the contributions expected to be paid to the plan during the next 12 months is Nil (Previous year- Nil). The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. The above information is certified by the actuary and relied upon by the Auditors.

Note 16: Trade Payables

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	958,861	2,519,537
Total	958,861	2,519,537

Note: According to the records available with the Company, there were no dues to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act 2006. Hence disclosures, if any, relating to amounts unpaid as at the year-end together with the interest paid / payable as required under the said Act have not been given. This information has been provided by the Company and relied upon by the Auditors.

The Company exposure to liquidity risk relating to trade payables is disclosed in Note 32

Note 17: Other Financial Liabilities

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Advances from Customers	-	64,892
Other Payables*	286,502	133,002
Total	286,502	197,894

*Pertains to leave travel allowance payable to employees.

Note 18: Employee benefit obligations

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Super Annuation / NPS Contribution Payable	-	55,745
Provision for Compensated Absences	339,456	256,444
Total	339,456	312,189

Note 19: Other Current Liabilities

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Statutory Dues	3,532,146	1,424,365
Total	3,532,146	1,424,365



Note 20: Revenue from Operations

Revenue from operations comprises of

Particulars	For the year ended March 31, 2021 (₹)	For the year ended March 31, 2020 (₹)
Asset Management Fees	41,634,939	18,060,233
Total	41,634,939	18,060,233

Note 21: Other Income

Particulars	For the year ended March 31, 2021 (₹)	For the year ended March 31, 2020 (₹)
(a) Interest on Fixed Deposits and Loans	913,993	1,776,604
(b) Interest on Income Tax Refund	220,313	777,292
(c) Interest on Loans to employees	12,918	15,065
(d) Profit on sale of assets	-	37,006
(e) Provision/liability no longer required written back *	833,329	6,253,150
(f) Recovery from Bad Debts Written off	-	524,912
(g) Miscellaneous Income	15,876,901	362,941
(h) Expected Credit loss on Trade Receivables & OPE - Written Back	815,544	5,171,629
Total	18,672,998	14,918,599

*Note: Provision/liability no longer required written back includes:

- Excess provision/payables of ₹ 8,33,329/- have been written back as per balance confirmations received from parties as on March 31, 2021. (previous year - ₹ 253,152)
- Reversal of excess provision of Performance Related Pay amounting to Nil (previous year ₹ 5,999,998/-)

Note 22: Employee Benefits Expenses

Particulars	For the year ended March 31, 2021 (₹)	For the year ended March 31, 2020 (₹)
Salaries, Bonus & Allowances	23,914,408	24,124,579
Contribution to Provident & other funds	1,598,784	1,585,807
Staff welfare expenses	929,332	1,364,988
Total	26,442,524	27,075,374

Note:-

- All eligible employees are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. The company contributes as specified under the law to the provident fund where set up as a trust and to the respective regional provident fund commissioner. The company contributes to the provident fund where setup as a trust are liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognises such contribution and shortfall, if any, as an expenses in the year incurred.
- All eligible employees are entitled to benefits under gratuity, a defined contribution plan.



Note 23: Other Expenses

Particulars	For the year ended March 31, 2021 (₹)	For the year ended March 31, 2020 (₹)
Electricity and Water Charges	130,419	188,601
Rent	2,790,000	4,864,997
Repairs and Maintenance	191,257	143,321
Insurance	17,546	21,967
Rates and Taxes	29,502	116,800
Postage and Telecommunication	118,076	340,537
Travelling and Conveyance	167,369	633,831
Printing and Stationery	17,018	101,881
Payment to auditors (refer note below)	325,000	322,088
General Expenses *	680,158	1,512,390
CSR Expenditure (Refer Note No. 27)	-	-
Total	4,466,345	8,246,413

* Includes housekeeping charges, office maintenance, security service charges and others

Amount paid / payable to the statutory auditors is as below:

Particulars	For the year ended March 31, 2021 (₹)	For the year ended March 31, 2020 (₹)
Statutory Audit	100,000	100,000
Limited review of quarterly results	225,000	222,088
Total	325,000	322,088

Above amounts exclude GST

Note 24- Disclosures as required by the IND AS-24 on “Related Party Disclosures” are made below:

a) Details of Related Parties:-

Sr	Ultimate Holding Company
1	Infrastructure Leasing & Financial Services Limited (IL&FS)
	Holding Company
1	IL&FS Investment Managers Limited
	Fellow Subsidiaries
1	IL&FS Environmental Infrastructure and Services Limited
2	East Delhi Waste Processing Company Private Limited
3	RDF Power Projects Limited
4	IL&FS Financial Services Limited (“IFIN”)
5	IL&FS Infrastructure Development Corporation Limited

Key Managerial Personnel

1	Mr. Bisweswar Patnaik, Chief Executive Officer
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The Company is dependent on information from the IL&FS for its Related Parties as defined under Ind AS 24 and under the CA 2013. IL&FS has not been able to provide the said information to the Company for the whole of the period referred to above. In the absence of the above information, the Company has identified its related party's relationship on the basis of information made available by IL&FS in the past. Accordingly, the related parties identified by the Company may not be complete and accurate. However, the Company believes that unavailability of the required information may not have a material impact on the financial statements.



b) Details of related party transactions and outstanding balances

(Amount in ₹)

Sr. No.	Nature of Transaction	Balances as at March 31, 2021	Balances as at March 31, 2020
1	IL&FS	-	-
2	IL&FS Investment Managers Limited		
	Trade Payable – Reimbursement of Expenses	-	29,500
3	IL&FS Environmental Infrastructure and Services Limited		
	Trade Receivable	-	6,493,943
4	East Delhi Waste Processing Company Private Limited		
	Trade Receivable	-	8,948,051
	Other financial Assets - Contractually reimbursable expenses	-	14,484
5	IL&FS Financial Services Ltd		
	Other financial Assets - Contractually reimbursable expenses	6,956,490	5,439,272
	Other Financial Asset (ICD)	-	-
	Other financial Asset (Interest accrued but not due on ICD)	-	-
	Trade Payable	116,337	584,999
6	RDF Power Projects Limited		
	Trade Receivable	-	11,846,746
	Other financial Assets - Contractually reimbursable expenses	-	63,055
7	IL&FS Infrastructure Development Corporation Limited		
	Other financial Assets - Contractually reimbursable expenses	-	29,141



Transactions during the year with related parties

(Amount in ₹)

Sr. No.	Nature of Transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
1	IL&FS Expense		
	Rent	2,430,000	3,510,000
	Car Parking Charges	102,000	144,000
	Reimbursement of Expenses	243,447	232,854
2	IL&FS Investment Managers Limited		
	Reimbursement of Expenses	-	25,000
3	IL&FS Financial Services Ltd		
	Income		
	Reimbursement of Expenses claimed	15,17,218	1,260,856
	Excess Provision/ payable Written Back	468,662	-
4	IL&FS Environmental Infrastructure and Services Limited		
	Balances Written off (trade receivable)	6,493,943	-
5	East Delhi Waste Processing Company Private Limited		
	Balances Written off (trade receivable)	8,948,051	-
	Balances Written off (Contractually reimbursable)	14,484	-
6	RDF Power Projects Limited		
	Balances Written off (trade receivable)	11,846,746	-
	Balances Written off (Contractually reimbursable)	63,055	-
7	Livia India limited		
	Expenses		
	Computer & software Maintenance charges	-	411,232
8	IL&FS Infrastructure Development Corporation Limited		
	Balances Written off (Contractually reimbursable)	29,141	-

Note: Related Party list and transactions are as identified by the management and relied upon by the auditors

(i) Transactions during the year with Key Managerial Personnel

Sr. No.	KMPs	Nature of Transaction	For the year ended March 31, 2021 (₹)	For the year ended March 31, 2020 (₹)
1	Mr. Bisweswar Pattnaik	Salary	6,487,249	6,330,549

In respect of IFIN, the ICD placed amounting to Rs. 2,00,00,000 and Interest accrued on ICD – Rs. 12,99,637 was written off during the year 2019-20.

During FY 2020-21, the company has written off the bad debts, where 100% provisioning in respect of AMC fees recoverable and/or OPE recoverable is already made in previous years in respect of following parties:

- IL&FS Environmental Infrastructure and Services Limited
- East Delhi Waste Processing Company Private Limited
- RDF Power Projects Limited
- IL&FS Infrastructure Development Corporation Limited

Company has made 100% provisioning in respect of AMC fees recoverable and/or OPE recoverable in respect of following parties:

- IL&FS Financial Services Limited

All transaction with related parties are priced on an arm's length basis and resulting outstanding balance are expected to be recovered in cash within six months of the reporting except for which provision is already made



Note 25- Earning Per Share

In accordance with the Indian Accounting Standard on 'Earnings Per Share' (IND AS-33), the Basic Earnings Per Share and Diluted Earnings Per Share has been computed by dividing the Profit After Tax by the number of equity shares for the respective year as under:

Particulars	For the year ended March 31, 2021 (₹)	For the year ended March 31, 2020 (₹)
Net profit/(Loss) after Tax	24,754,399	(9,740,051)
Weighted average number of equity shares used in computing earnings per share (Nos.)	1,000,000	1,000,000
Basic & diluted earnings per share	24.75	(9.74)
Nominal value per share	10	10

Note 26 - Leases:

The Company has entered into short term (< 12 months) lease arrangements towards business centre arrangement towards use of office facility. The minimum future payment during non-cancellable periods under the foregoing arrangements in the aggregate for each of the following periods is as follows:

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Not later than one year	-	-
Later than one year but not later than 5 years	-	-
Amount charged to the Statement of Profit and Loss (on non-cancellable lease)	-	-
Less: Sub Lease	-	-
Less: Deferred Rent reversal	-	-
Amount charged to the Statement of Profit and Loss (on non-cancellable lease) (Net of sub lease and deferred rent reversal)	-	-

Note 27- CSR expenditure

Particulars	For the year ended March 31, 2021 (₹)	For the year ended March 31, 2020 (₹)
a) Gross amount required to be spent by the Company during the year	-	-
b) Amount spent during the year on:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purpose other than (i) above	-	-

Note 28- Segment Reporting:

a) Description of segments and principal activities

The Company is in the business of providing Asset management and other related services in India. As such, there are no separate reportable business segments or geographical segment as per Indian Accounting Standard 108 on "Operating Segment". It is considered appropriate by the Management to have a single segment i.e. "Asset Management and other related services"

b) Segment Revenue

The Company is in the business of providing asset management and advisory services only in India.

- c) All assets of the Company are domiciled in India.
- d) Information about revenue from major customers



e) During the year, there is only one party (Previous Year – 3 Parties) which is contributing in excess of 10 % of the total revenue of the Company. The amounts for the same are as follows:

Particulars	For the year ended March 31, 2021 (₹)	For the year ended March 31, 2020 (₹)
Revenue	15,926,149	16,657,595

Note 29- Contingent liabilities and commitments (to the extent not provided for) – There are Nil contingent liabilities and commitments as on March 31, 2021

Note 30- Income Tax Expense

Particulars	March 31, 2021 (₹)	March 31, 2020 (₹)
a) Income tax expense		
Current Tax		
Current tax on profit for the year	-	-
Deferred tax	-	-
Income tax short provision of earlier years	-	606,882
Total income tax expense		606,882
b) Reconciliation of tax expense and accounting profit multiplied by Indian tax rate		
Profit/(Loss) from operations before income tax expenses	24,754,399	(9,133,169)
Indian tax rate	25.17%	25.17%
Tax on profit/loss	62,30,682	-
Tax effect of amounts which are not deductible (allowable) in calculating taxable income		
Bad debt provision	-	-
Bad Debts written off	(62,30,682)	-
Others	-	-
Deferred tax	-	-
Short Provision for tax relating to prior years	-	606,882
Total Income tax expenses		606,882

Note 31- Fair Value Measurement

(a) Financial Instruments by Category

(Amount in ₹)

March 31, 2021	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial assets				
Loans (Non-Current)	-	-	-	-
Security Deposits	-	-	185,000	185,000
Trade Receivables	-	-	9,190,414	9,190,414
Cash and Cash Equivalents	-	-	24,746,277	24,746,277
Other Bank Balances	-	-	31,150,000	31,150,000
Loans to Employees (Current)	-	-	509,106	509,106
Others	-	-	6,482,875	6,482,875
Total Financial Asset	-	-	72,243,672	72,243,672
Financial Liabilities				
Trade Payables	-	-	958,861	958,861
Others	-	-	286,502	286,502
Total Financial Liabilities	-	-	1,245,363	1,245,363



March 31,2020	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial assets				
Loans (Non Current)	-	-	509,104	509,104
Security Deposits	-	-	185,000	185,000
Trade Receivables	-	-	4,980,640	4,980,640
Cash and Cash Equivalents	-	-	3,163,436	3,163,436
Other Bank Balances	-	-	20,300,000	20,300,000
Loans to Employees (current)	-	-	13,989	13,989
Others	-	-	11,280,727	11,280,727
Total Financial Asset	-	-	40,432,896	40,432,896
Financial Liabilities				
Trade Payables	-	-	2,519,537	2,519,537
Others	-	-	197,894	197,894
Total Financial Liabilities	-	-	2,717,431	2,717,431

(b) Fair value hierarchy

As at March 31, 2021

Particulars	Carrying Amount	Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
Financial assets				
At Amortised Cost				
Loans (Non-Current)	-	-	-	-
Security Deposits (Non-Current)	185,000	-	-	-
Trade Receivables	9,190,414	-	-	-
Cash and Cash Equivalents	24,746,277	-	-	-
Other Bank Balances	31,150,000			
Loans to Employees (Current)	509,106	-	-	-
Others	6,482,875	-	-	-
Financial Liabilities				
At Amortised Cost				
Trade Payables	958,861	-	-	-
Others	286,502	-	-	-

As at March 31, 2020

Particulars	Carrying Amount	Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
Financial assets				
At Amortised Cost				
Loans (Non-Current)	509,104	-	-	-
Security Deposits (Non-Current)	185,000	-	-	-
Trade Receivables	4,980,640	-	-	-
Cash and Cash Equivalents	3,163,436	-	-	-
Other Bank Balances	20,300,000			
Loans to Employees (current)	13,989	-	-	-
Others	11,280,727	-	-	-
Financial Liabilities				
At Amortised Cost				
Trade Payables	2,519,537	-	-	-
Others	197,894	-	-	-



The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described in note 1(B)(c) of the financial statement.

Note 32- Financial Risk Management

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

1. Credit risk
2. Liquidity risk
3. Market Risk

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.

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 a practice of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

At the end of the year, the details of the trade receivables were as follows:

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Trade Receivable	42,793,336	63,904,549
Provision for Expected credit loss	33,602,922	58,923,909

Reconciliation of expected credit loss on trade receivables

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Expected credit loss at the beginning of the year	58,923,909	65,992,751
Add/(less): changes in allowance (including balances written off during the year)	(25,320,987)	(7,068,842)
Expected credit loss at the end of the year	33,602,922	58,923,909

Other financial assets comprises of interest accrued on fixed deposits and advances recoverable on account of reimbursement of out of pocket expenses and advance given to employees. Provision is created on a case to case basis depending on circumstances with respect to non-recoverability of the amount. At the end of the year, the details were as follows:



Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Loan Receivable (Inter Corporate Deposit)	-	-
Less: Written Off	-	-
(A)	-	-
Interest Accrued But Not Due on Fixed Deposits & Inter Corporate Deposit	232,527	424,713
Less: Provision for expected Credit Losses	-	-
(B)	232,527	424,713
Advances to Employees (C)	8,075	18,595
Other advances and Security Deposits (D)	373,385	2,375,244
Contractually Reimbursable expenses:	14,501,862	19,878,445
Less: Provision for expected Credit Losses	(8,526,294)	(11,416,270)
Less: Written Off	(106,680)	-
(E)	5,868,888	8,462,175
Total Other Financial Assets (A+B+C+D+E)	6,482,875	11,280,727

Reconciliation of expected credit loss on Contractually Reimbursable expenses

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Expected credit loss at the beginning of the year	11,416,270	9,519,057
Add/(less): changes in allowance (including balances written off during the year)	(2,889,976)	1,897,213
Expected credit loss at the end of the year	8,526,294	11,416,270

Cash and cash equivalents are held with banks having high quality credit rating.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company maintains sufficient cash to address any liquidity risk that may arise.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Maturity profile of financial liabilities

Particulars	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
Less than 1 year		
Non-interest-bearing instrument		
Trade payable	958,861	2,519,537
Other financial liabilities	286,502	197,894

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, equity prices and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Company's income or the fair value of its holdings of financial instruments. The Company's financial assets and liabilities are denominated in INR and all transactions are made in INR.



Interest rate risk

The Company is not exposed to interest rate risk as the Company has fixed interest bearing financial assets.

Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. As part of its capital risk management policies, the Company reviews the capital structure to ensure that it has an appropriate portion of net debt to equity. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments. The debt equity ratio highlights the ability of a business to repay its debts. The Net financial debt position of the company as on March 31, 2021 and March 31, 2020 is negative which signifies the company has more than sufficient cash to pay off its liabilities.

Note 33:

The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by Serious Fraud Investigation Office (SFIO) against IL&FS and its subsidiaries (including the Company) under Section 212(1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company is fully cooperating with the investigation agencies. On December 3, 2018, MCA on the directions of the National Company Law Tribunal, Mumbai (NCLT) has impleaded various Company Companies of IL&FS (which includes the Company) as Respondents to the Petition filed by them on October 1, 2018. Further based on another petition of the MCA under section 130 (1) of the Companies Act, 2013, the NCLT has, on January 1, 2019, ordered re-opening of books of accounts for the past financial year 2012-13 to financial year 2017-18 of IL&FS, IFIN and ITNL. While the Company, based on its current understanding, believes that the above would not have a material impact on the financial results, the implications, if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage.

Note 34:

The COVID 19 virus has impacted nations across the globe including India. FY 2020-21 was mostly affected by nationwide lockdown and then state wise lock down on account of COVID 19 pandemic. This has contributed to a significant decline and volatility in global markets including India, resulting in significant impact to the economy. The Government of India has announced a slew of stimulus measures and relaxations in order to help the corporates tide over this crisis.

The management has considered the impact of restricted movements and partial lockdown imposed by the Authorities to restrict the spread of COVID 19 while assessing recovery of its receivables and generation of revenue in future. As an Asset Manager to the PMDO Facility (Facility), major revenues of the Company are Asset Management Fees (Fees) accruing from standard accounts under the Facility, interim recovery from NPA accounts and final recovery from NPA accounts through resolution process.

As a major boost to the Company, during FY 2020-21, most of the lenders have executed the amendment to the Memorandum of Agreement, which provides for AMC Fees to the Company @ 0.25% p.a on the principal outstanding of the NPA accounts under the Facility with effect from October 2019. Accordingly, billing and recovery has been made under this head during FY 2020-21. Execution of amendment to the Memorandum of Agreement by few other lenders is under process.

Given the potential adverse macro-economic impact due to the pandemic, management expects delay in recovery of Fees from standard accounts, NPA accounts under the Facility and lenders under PMDO Facility over the short term (approx. 9-12 months from the financial year ended March 2021). It is expected that these short-term concerns can be mitigated through cash resources on hand. Further, management is of the view that there is no risk in the ability of the Company to continue as going concern and meeting its liabilities as and when they fall due.



The Company has considered the possible effects that may arise as a result of the COVID-19 pandemic on its financial statements and business as a whole. The Company has evaluated the impact of the COVID-19 pandemic on its business operations and financial position based on current indicators of future economic conditions and forecasts. The extent to which the COVID-19 pandemic will impact the Company's future results will depend on any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact which is highly uncertain. There is no impact of COVID-19 on the financial results for the year ended March 31, 2021.

Note 35:

Management expects that its future income from liquid assets and existing operations of the Company as at March 31, 2021 will be sufficient to meet at least Company's existing and future obligations arising over next 12 months.

The IL&FS Board has on December 21, 2018 and September 27, 2019 invited a public Expression of Interest (EoI) for sale of its entire stake in IL&FS Investment Managers Ltd ("the Holding Company) and the process thereof is ongoing. However, with the outbreak of the pandemic the timelines for the sale process have got delayed and while there is material uncertainty with regard to the stake sale, management believes that use of the going concern assumption for preparation of these financial results is appropriate.

Note 36:

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

The accompanying notes are an integral part of Financial Statements.

In terms of our report attached of even date

For and on behalf of the Board

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No: 105146W/ W-100621



Manoj Borkar
Director
DIN :00060698

Baiju Mathew
Director
DIN :05274214


Hasmukh Dedhia
Partner
Membership No. 033494


Bisweswar Pattnaik
Chief Executive Officer

Place: Mumbai
Date: 16th June, 2021

Place: Mumbai
Date: 16th June, 2021

