

**KARNATAKA URBAN INFRASTRUCTURE  
DEVELOPMENT & FINANCE CORPORATION  
LIMITED**



**Annual Report  
2016-17**

**Registered Office :**

Nagarabhivrudhi Bhavan, # 22, 17th F Cross, Binnamangala IIInd Stage,  
Old Madras Road, Indiranagar, Bengaluru - 560 038

Tel: 080-25196124-29 Fax: 080-25196110

Email :[info@kuidfc.com](mailto:info@kuidfc.com)

Website : [www.kuidfc.com](http://www.kuidfc.com)

CIN : U85110KA1993SGC014869



<b>Sl. No.</b>	<b>Particulars</b>	<b>Page Nos.</b>
1.	Board of Directors	1 - 2
2.	Management	3 - 12
3.	Directors' Report	13 - 61
4.	Statutory Auditors' Report	62 - 76
5.	Report of Comptroller and Auditor General of India	77 - 82
6.	Financial Statement	83 - 106



SL. NO.	NAME	DESIGNATION
1.	Shri M D Krishnamurthy, Chairman, KUIDFCL, Bengaluru	Chairman
2.	Shri Mahendra Jain, IAS, Additional Chief Secretary to Govt., Urban Development Department, Bengaluru-560 001.	Director
3.	Shri Anjum Parwez, IAS Secretary to Govt. (M & UDAs) Urban Development Dept. Bengaluru-560001.	Director
4.	Shri Kapil Mohan, IAS, Principal Secretary to Government, Housing Department, Bengaluru- 560 001.	Director
5.	Shri Tushar Giri Nath, IAS, Chairman,B.W.S.S.B., Bengaluru	Director
6.	Dr. Ekroop Caur, IAS Secretary (Expenditure) to Government, Finance Department, Vidhana Soudha, Bengaluru-560 001.	Director
7.	Dr. Vishal R. IAS, Director of Municipal Administration, V.V.Towers, Bengaluru-560001.	Director
8.	Shri Shekarappa B.S., IAS, Metropolitan Commissioner, B.M.R.D.A.Bengaluru.	Director
9.	Shri Venkataramu S/o Late Muniyappa No.67, Vijayalaxmi Nilaya, Byrathi Village, Kothanur, Bengaluru.	Director

SL. NO.	NAME	DESIGNATION
10	Shri Dowlath Baig, No.710,4th Cross, Sathgalli Layout, Mysuru - 570 019.	Director
11.	Shri Syed Hashim No.171, "D" Block, 9th Cross Rashad Nagar, Bengaluru- 560 045.	Director
12.	Shri A B Ibrahim, IAS Managing Director, KUIDFCL , Bengaluru	Managing Director
13	Smt. Tanusree Deb Barma, IAS Joint Managing Director, KUIDFCL	Director

### Company Secretary

Shri Karthik. A

### Statutory Auditors

M/s. G.V. Acharya & Company  
Chartered Accountants, Bengaluru

### BANKERS

State Bank of Mysore  
State Bank of India  
IDBI Bank Limited  
Corporation Bank  
Syndicated Bank  
Canara Bank  
Vijaya Bank  
Union Bank of India

**State level Steering Committee (SLSC)- JnNURM**

S.No	Designation	SLSC
1.	Hon'ble Chief Minister	Chairperson
2.	Hon'ble Minister for UDD, GoK	Vice-Chairperson
3.	Hon'ble Minister for Municipal Administration, GoK	Member
4.	Hon'ble Minister for Housing, GoK	Member
5.	Chairman, DLRMC, Bangalore Urban District and Hon'ble Member of Parliament, GoI	Member
6.	Chairman, DLRMC, Mysore District and Hon'ble Member of Parliament, GoI	Member
7.	Hon'ble District in -charge Minister and Chairman, CLRMC, Bangalore District	Member
8.	Hon'ble District in-charge Minister Chairman and CLRMC, Mysore	Member
9.	The Chief Secretary to Government, GoK	Member
10.	Addl. Chief Secretary/Principal Secretary, UDD, GoK	Member Secretary
11.	Principal Secretary, Finance Dept, GoK	Member
12.	Principal Secretary, Housing Department, GoK	Member
13.	Principal Secretary, PWD, GoK	Member
14.	Principal Secretary, Transport Department, GoK	Member
15.	Principal Secretary, Tourism & Culture, GoK	Member
16.	Secretary, (M&UDA), UDD, GoK	Member
17.	Managing Director, KUIDFCL –SLNA	Member

**Special Invitees**

S.No	Designation	
1.	Commissioner, BMRDA	
2.	Commissioner, BBMP	
3.	Chairman, BWSSB	
4.	Commissioner, BDA	
5.	MD, KSRTC	
6.	MD, BMTC	
7.	MD, KUWSDB	
8.	DC, Bangalore	
9.	DC, Mysore	
10.	Commissioner, KSDB, Bangalore	
11.	Commissioner, MCC	
12.	Commissioner, MUDA	
13.	Any other officer connected with the Mission found necessary	

**Empowered Committee for the World Bank assisted  
Karnataka Municipal Reforms Project (KMRP)**

1	Additional Chief Secretary to Government, GoK	Chairperson
2	Addl.Chief Secretary/Principal Secretary to Government, Urban Development Dept.	Member
3	Director General, Administrative Training Institute, Mysore	Member
4	Principal Secretary to Government, Planning Department	Member
5	Commissioner, Bruhat Bangalore Mahanagara Palike	Member
6	Secretary to Government (M & UDAs), Urban Development Department.	Member
7	Chairman, Bangalore Water Supply & Sewerage Board.	Member
8	Managing Director, Karnataka Urban Water Supply & Drainage Board	Member
9	Secretary to Govt., (Expenditure), Finance Department, Government of Karnataka	Member
10	Managing Director, KUIDFCL	Member - Secretary
11	Director, Municipal Administration	Member
12	Director, Dept. of Town & Country Planning	Member

**Empowered Committee for ADB assisted  
North Karnataka Urban Sector Investment Programme (NKUSIP)**

1	Additional Chief Secretary to Government of Karnataka	Chairman
2	Addl. Chief Secretary/Principal Secretary to Government Urban Development Department	Member
3	Principal Secretary to Government Planning Department	Member
4	Secretary to Government (M&UDAs) Urban Development Department	Member
5	Secretary to Government (Expenditure), Finance Department	Member
6	Managing Director, KUWS & DB	Member
7	Director, Municipal Administration	Member
8	Managing Director, KUIDFCL	Member Secretary



**State Level Sanctioning Committee for the  
Bangalore Mega City Scheme / Revolving Fund (MCRF)**

1	Additional Chief Secretary to Government of Karnataka	Chairman
2	Additional Chief Secretary / Principal Secretary to Government Urban Development Department	Member
3	Principal Secretary to Government, Finance Department.	Member
4	Director (Housing & Urban Affairs), Planning Commission Govt. of India, New Delhi.	Member
5	Joint Secretary (UD &A), Ministry of Urban Development, Govt. of India, New Delhi.	Member
6	Managing Director, KUIDFCL.	Member-Secretary

**Empowered Committee for 9 towns project**

1	Additional Chief Secretary, GoK	Chairperson
2	Additional Chief Secretary, Finance Department	Member
3	Addl. Chief Secretary/Principal Secretary, UDD	Member
4	Principal Secretary, Planning Department	Member
5	Secretary, Municipalities and UDAs	Member
6	Director, Municipal Administration	Member
7	MD, KUWS&DB	Member
8	Managing Director, KUIDFCL	Member-Convenor

**Empowered Committee for ADB assisted  
Karnataka Integrated Urban Water Management, Investment Programme (KIUWMIP)**

1	Additional Chief Secretary to Govt.,	Chairperson
2	Addl. Chief Secretary/Principal Secretary to Govt., Urban Development Dept.	Member
3	Principal Secretary to Govt., Planning Department	Member
4	Secretary to Govt., (M&UDAs) Urban Development Dept..	Member
5	Secretary to Govt.(Expenditure) Finance Dept.	Member
6	Director, Directorate of Municipal Administration	Member
7	Managing Director, KUIDFCL	Member Secretary

**Empowered Committee for World Bank assisted  
Karnataka Urban Water Sector Improvement Project (KUWASIP)**

1	Additional Chief Secretary to Government of Karnataka	Chairman
2	Addl. Chief Secretary/Principal Secretary to Government Urban Development Department	Member
3	Principal Secretary to Government, Planning Department	Member
4	Secretary to Government, Urban Development Department	Member
5	Secretary (Expenditure) to Government , Finance Department	Member
6	Secretary to Government (B & R), Finance Department.	Member
7	Managing Director, Karnataka Urban Water Supply & Drainage Board	Member
8	Managing Director, KUIDFCL	Member- Secretary

**Empowered Committee for ADB assisted  
CITY CLUSTER DEVELOPMENT PROJECT. (CCD)**

1	The Additional Chief Secretary to Govt. GoK	Chairman
2	The Addl. Chief Secretary to Govt. C&I Dept	Member
3	The Addl. Chief Secretary/Principal Secretary to Govt. UDD	Member
4	The Commissioner of Police, Bangalore	Member
5	The Principal Secretary to Govt. Finance Dept.	Member
6	The Principal Secretary to Govt. Housing Dept	Member
7	The Principal Secretary to Govt. Infrastructure Development Dept	Member
8	The Principal Secretary to Govt. Planning, Programme - monitoring and Statistics Dept.	Member
9	The Commissioners, BBMP	Member
10	The Commissioner, BDA	Member
11	The Commissioner, BMRDA	Member
12	The Chairman, BWSSB	Member
13	The Secretary to Govt. UDD	Member
14	The Commissioner, DULT	Member
15	The Managing Director, BMTC	Member
16	The Managing Director, KUIDFCL	Member Convener

**Solid Waste Management**

1	Additional Chief Secretary/Principal Secretary to Govt., Urban Development Department	Chairperson
2	Principal Secretary to Govt., Finance Department	Member
3	Commissioner Bruhat Bengaluru Mahanagara Palike	Member
4	Secretary to Govt., Forest, Ecology & Environment	Member
5	Secretary to Govt. Urban Development Department	Member
6	Special Commissioner Bruhat Bengaluru Mahanagara Palike	Member
7	Secretary to Govt., (Mining) Commerce and Industries Dept.	Member
8	Managing Director, KUIDFCL	Member Secretary

**SMART CITY  
High Power Steering Committee**

1	Chief Secretary, GoK	Chairperson
2	Additional Chief Secretary/Principal Secretary to Govt., Urban Development Department	Member
3	Principal Secretary to Govt., Finance Department	Member
4	Principal Secretary Planning Department	Member
5	Director, Works	Member
6	Commissioner, DULT	Member
7	Secretary (M & UDA) Urban Development Department	Member
8	Secretary Transport Department	Member
9.	Secretary Public Works Department	Member
10.	Commissioner, Bruhat Bengaluru Mahanagar Palike	Member
11.	Managing Director, Karnataka Urban Water Supply & Drainage Board	Member

12.	Chairman Bangalore Water Supply & Sewerage Board	Member
13.	Commissioner Bangalore Development Authority	Member
14.	Commissioner, Bangalore Metropolitan Region Development Authority	Member
15.	Managing Director Bangalore Metro Rail Corporation Limited	Member
16.	Director Directorate of Municipal Administration	Member
17.	Managing Director KUIDFCL	Member Secretary

**Empowered Committee  
State Level Empowered Committee for (JNNURM)**

1	Chief Secretary to Government, Government of Karnataka	Chairman
2	Principal Secretary to Government , Finance Department.	Member
3	Addl. Chief Secretary/Principal Secretary to Government Urban Development Department	Member
4	Principal Secretary to Government Housing Department	Member
5	Principal Secretary to Government Transport Department	Member
6	Secretary to Government (M&UDAs), Urban Development Department	Member
7	Secretary to Government, Tourism & Culture Department	Member
8	Commissioner, BBMP	Member
9	Commissioner, BMRDA	Member
10	Chairman, BWSSB	Member
11	Commissioner BDA	Member
12	Managing Director, KSRTC	Member
13	Managing Director, BMTC	Member
14	Chairman & Managing Director, KUWS&DB	Member
15	Deputy Commissioner, Mysore	Member
16	Commissioner, Mysore City Corporation	Member
17	Commissioner, MUDA	Member
18	Any other Officer connected with the Mission found necessary	
19	Managing Director, KUIDFCL	Member –Secretary

Corporate Executives, Bangalore	
Sriyuths/ Smt.	Designation
M D Krishnamurthy	Chairman
A B Ibrahim, IAS	Managing Director
Tanusree Deb Barma, IAS	Joint Managing Director
Syeed Isha, KAS (Sr Scale)	General Manager-Administration & Task Manager-KUWSMP & GM-Urban Affairs-I/c
Arif Ulla Shariff	Task Manager, NKUSIP
Capt. R R Doddihal	General Manager-Technical
K M Ramesh	General Manager – Project Finance
N J Jaganath	General Manager – Finance & Accounts
Ashok G Bhat	General Manager-Town Planning Scheme
CS Karthik A	Company Secretary
N Srinivas	Superintending Engineer-KMRP
C Manjappa	Superintending Engineer, Technical Cell, UDD
H Honne Gowda	Superintending Engineer – NKUSIP
Kavitha Rajaram, KAS	Deputy General Manager – Information Technology & Task Manager (KIUWMIP)-Addl Charge
R Roopa, KAS	Deputy General Manager – Admin & HR & Legal, LAQ & RR-Addl Charge
Swetha G N, KAS	Deputy General Manager – GoI Schemes (Smart City Mission)
K Kavitha, KMAS	Deputy General Manager – UA & KUWSMP –Addl Charge
P Jayamala, KMAS	Deputy General Manager – (PDU)
Joseph S Mariraj	Deputy General Manager (Media & PR)
B R Suresh	Deputy General Manager – TRUST & Megacity
D S Sridhar	Deputy General Manager – IEC/DOC/CDP/BUSINESS PROJECT DEV.
Krishna Kalekar	Executive Engineer-KIUWMIP
H Kumaraswamy	Executive Engineer-KIUWMIP
S J Sudheer	Executive Engineer-9 Towns

Adinarayanamurthy	Executive Engineer-KUWSMP
H E Krishna Murthy	Assistant General Manager, Training & Capacity Building
S Sridhar	Assistant General Manager – PF-World Bank
V V Hadimani	Assistant General Manager - PF-ADB
Ramesh M	Assistant Executive Engineer - KMRP
Vidyulatha	Assistant Executive Engineer - KMRP
K S Aswathanarayanan	Assistant Manager-Trust & PMU
Munawar Ahmed Ghori	Assistant Executive Engineer (NKUSIP)
H K Goutham Raju	Assistant Executive Engineer (NKUSIP)
S R Prasad	Assistant Executive Engineer (KUWSMP)
Nrupathunga	Assistant Executive Engineer (KUWSMP)
Syed Moinuddin Qadri	Assistant Executive Engineer (9 Towns)
Adivappa	Assistant Executive Engineer (KIUWMIP)
M Lakshmisha	Assistant Executive Engineer (KIUWMIP)
Rajeev Vishnappa Giridhar	Assistant Executive Engineer (KIUWMIP)
Ramesh M K	Special Tahsildar

<b>Regional Office, Hubli-NKUSIP</b>	
<b>Siryuths/ Smt.</b>	
B Devaraj	Executive Director
J C Sangondhi math	Executive Engineer
<b>Divisional Office, Dharwad - NKUSIP</b>	
<b>Sriyuths</b>	
Vinayak Palanakar, KAS	Deputy Project Director, Addl. Charge
V N Hadimani	Executive Engineer
<b>Divisional Office, Belagavi - NKUSIP</b>	
<b>Sriyuths</b>	
Shakeel Ahmed, KMAS	Deputy Project Director, Addl. Charge
K Prabhakar Shet	Executive Engineer
<b>Divisional Office, Kalaburgi - NKUSIP</b>	
<b>Sriyuths</b>	
Doddabasavaraju	Deputy Project Director, Addl. Charge
Jadhav	Executive Engineer, Addl. Charge
<b>Divisional Office, Bellarri - NKUSIP</b>	
<b>Sriyuths</b>	
Jaheer Abbas, KMAS (Retd.)	Deputy Project Director, Addl. Charge
Kaja Mohinuddin	Executive Engineer
<b>RPMU, Davangere – KIUWMIP – Tranch 1</b>	
Anirudh Shravan, IAS	Deputy Project Director, Addl. Charge
R C Mohan	Superintended Engineer
<b>RPMU, Mangalore – KIUWMIP – Tranch 2</b>	
<b>Sriyuths</b>	
S A Prabhakara Sharma, KAS (Retd.)	Deputy Project Director
B Nagabhushana Aradya	Assistant Executive Engineer



## Directors' Report

Dear Members,

Your Directors take great pleasure in presenting 23rd Annual Report highlighting the achievements of your Company during 2016-17.

There has been significant increase in urban population during last few years which resulted in increased demand for more basic urban infrastructure facilities like drinking water, roads, Under Ground Drainage (UGD) System etc. to sustain economic growth of the State of Karnataka. The Urban Local Bodies (ULB) in Karnataka is yet to evolve to the level of self sustainability. In this regard, your Company, as a nodal agency for implementing urban infrastructure facilities in the state, has been making notable contribution over the years.

The year 2016-17 has again been fruitful in making significant contribution.

### Financial Result

The Financial Results of the Company for the year ended March 31, 2017 are as follows:

Particulars	(₹ in lakh)	
	2015-16	2016-17
Profit Before Taxes	Nil	Nil
Provision For Taxation	3.06	-
Deferred Tax - Asset / (Liability)	3.06	(19.06)
Balance available for Appropriation	-	-
<b>Appropriation:</b>		
Transfer to Balance Sheet	-	-
Transfer to General Reserve	-	-

The Company has been receiving Management fee to meet its administrative and salary expenditures. The Company has utilized ₹ 6.00 crore out of the Management fee received for meeting its expenditure during the year under report.

## Expenditure status of Externally Aided Projects as on 31.3.2017

(₹ In Crore)

Sl. No.	Name of the project	Project Cost	Cumulative expenditure upto 31.3.2016	Expenditure for the FY 2016-17	Cumulative expenditure upto 31.3.2017
1.	KUDCEMP	996.30	1,001.11	0.28	1,001.39
2.	NKUSIP	1,980.00	1,355.43	421.46	1,776.89*
3.	KIUWMIP	1,462.00	56.84	57.44	114.28*
4.	KUWASIP	237.04	214.89	0.23	215.12
5.	KMRP	1,364.00	1,284.24	37.72	1,321.96*
6.	KUWSMP	1,809.00	7.11	0.69	7.80
	<b>TOTAL</b>	<b>7,848.34</b>	<b>3,919.62</b>	<b>517.82</b>	<b>4,437.44</b>

(\*) Inclusive of ULB's / JNNURM Contribution Adjusted

**Project-Wise Fund Flow Statement of  
Government of Karnataka Account for F.Y. 2016-17**

DESCRIP	ON GOING PROJECTS									SUB-TOTAL	GOK REVOLVING FUNDS		SUB-TOTAL	GRAND TOTAL
	ADB Schemes			World Bank Schemes			GoI Schemes		GoK Scheme		MCRF	UIDF		
	KUDCEMP	NKUSIP	KIUWMIP	KUWASIP	KMRP	KUWSMP	JNNURM	SCM	SWM					
Opening Balance - (GOK A/c) 01.04.2015	0.47	154.11	15.17	0.55	122.00	9.39	23.42	6.04	182.36	513.51	578.62	436.80	1,015.42	1,528.93
ADD: Receipts for the year	0.00	412.10	74.10	-	7.17	29.44	301.55	788.93	-	1,613.29	212.51	146.50	359.01	1,972.30
Total funds Available	0.47	566.21	89.27	0.55	129.17	38.83	324.97	794.97	182.36	2,126.80	791.13	583.30	1,374.43	3,501.23
LESS: Releases / Expenditure for the year	0.28	421.46	57.44	0.23	31.72	0.69	264.05	784.94	71.37	1,638.18	56.06	0.00	56.06	1,694.24
Balance funds at the closing (GOK A/c)- 31.03.2017	0.19	144.75	31.83	0.32	91.45	38.14	60.92	10.03	110.99	488.62	735.07	583.30	1,318.37	1,806.99

## Dividend

Your Directors do not propose dividend for the year 2016-17.

## Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as no dividend was declared during the preceding years.

## Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

Nil

## Statutory Compliance

### Conservation of energy and technology absorption, Foreign Exchange earnings & outgo

The provisions of 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 relating to the conservation of energy and technology absorption do not apply to your Company. There were no foreign exchange earnings or outgo during the year under review.

## Extract of the Annual Return

An Extract of the Annual return incorporating the particulars on the Company's registration, Principal business activity, Share holding pattern, Indebtedness, Remuneration of Directors and Key Managerial Personnel and details on penalties / punishment / compounding of offences etc. is annexed as Annexure II and form part of this report.

## AUDITORS

### 1. Statutory Audit

In pursuance of Section 139 of the Companies Act, 2013, the Comptroller & Auditor General of India appointed M/s. G.V Acharya & Co., Chartered Accountants, Bengaluru as the Statutory Auditors of the Company for the year 2016-17.

### 2. Internal Audit

M/s. Manian & Rao, Chartered Accountants, Bengaluru were appointed as your Company's Internal Auditors reports received from the internal auditors were placed before the Audit Committee at their meeting.

## Corporate Governance

### Board & Committees

#### BOARD OF DIRECTORS

#### Changes in the Board during the Year

The following changes have taken place in the Board of Directors of the Company since the last Annual General Meeting:

Sl.No	Incoming	Outgoing
1.	Shri M D Krishnamurthy Chairman, KUIDFCL, Bengaluru	Shri Srivatsa Krishna, IAS Secretary to Govt., DP & AR (e-Governance)
2.	Shri A B Ibrahim, IAS Managing Director KUIDFCL, Bengaluru	Shri V. Ponnuraj, IAS Managing Director KUIDFCL, Bengaluru
3.	Shri Tushar Giri Nath, IAS, Chairman, B W S S B, Cauvery bhavan, K G Road, Bengaluru	Shri T.M Vijay Bhaskar, IAS, Chairman, B W S S B, Cauvery bhavan, K G Road, Bengaluru
4.	Shri Kapil Mohan, IAS Principal Secretary to Govt., Housing Department, Vikasa Soudha, Bengaluru - 01	Shri Shambhu Dayal Meena, IAS Principal Secretary to Govt., Housing Department, Vikasa Soudha, Bengaluru - 01
5.	Shri Syed Hashim No. 171, "D" block, 9th Cross , Rashad Nagar, Benagluru - 560045.	-
6.	Shri Venkataramu Byrathi Village, Kothanur Post, Bengaluru - 560077.	-
7.	Shri Dowlath Baig No. 710, 4th Cross, Sathgalli Layout, Mysuru - 570019	-
8.	Shri Mahendra Jain, IAS, Additional Chief Secretary to Government, Urban Development Department, 4th Floor, Vikasa Soudha, Bengaluru.	Shri T M Vijaya Bhaskar, IAS, Additional Chief Secretary to Govt, Urban Development Department. 4th Floor, Vikasa Soudha, Bengaluru.
9.	Shri Shekharappa. B.S, IAS Metropolitan Commissioner, B.M.R.D.A. Bengaluru	Shri Tushar Giri Nath, IAS, Metropolitan Commissioner, B.M.R.D.A., Bengaluru.
10.	Dr. Vishal R, IAS Director to Municipal Administration., V.V.Towers, Bengaluru	Dr. N Manjula, IAS, Director to Municipal Administration, V.V. Towers, Bengaluru.
11.	Smt. Tanushree Deb Barma, IAS Joint Managing Director KUIDFCL, Bengaluru	-

### **Meetings Held**

During the Financial Year 2016-17, the Board met three times and the meetings of the Board of Directors were held on July 13, 2016, November 8, 2016, & March 4, 2017.

### **Committees of the Board**

#### **Constitution of Audit Committee**

The Composition of the Audit Committee during the year under review was as follows:

Shri TK Anil Kumar, IAS

Shri Ritesh Kumar Singh, IAS

Dr. N Manjula, IAS

### **Meetings Held**

During the Financial Year 2016-17, the Audit Committee was held on July 6, 2016.

#### **Report on implementation of RTI Act for the year 2016-17**

Company updates its suo-moto declaration u/s 4(1)(a) & 4(1)(b) of the RTI Act, 2005 every year and as and when there are changes in the organisation. Monthly RTI reports are also published on its web-site. For the year 2016-17, 152 no. of RTI requests were received, 3 of which were from BPL citizens. The RTI applications have been disposed within the stipulated time limit. Eight appeals were received and disposed within the stipulated time limit.

Public Information Officers & Asst. Public Information Officers have been designated for every project / wings in the Head Office and in all Project Implementation Units of KUIDFCL. Training was held on 1<sup>st</sup> December 2016 in the Head Office, Bangalore for 30 no. of employees on RTI who were designated as Public Information Officers & Asst. Public Information Officers.

#### **Compliance of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has a prevention of sexual harassment policy in place. The Directors further state that during the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

### Progress in Implementation of External Aided Projects

The progress of externally aided projects under implementation is highlighted below:

#### A. Karnataka Urban Development and Coastal Environmental Management Project (KUDCEMP – ADB assisted)

KUDCEMP has been implemented in 10 towns of Coastal Karnataka i.e., Ankola, Bhatkal, Dandeli, Karwar, Kundapura, Mangalore, Puttur, Sirsi, Ullal & Udupi. The completed components include water supply in all ten towns, storm water drains and solid waste management, urban transport, municipal facilities viz. complexes, markets, bus stand etc. apart from public conveniences and civic amenities. Under Ground Drainage (UGD) works in Karwar, Bhatkal, Udupi & Mangalore towns have been completed.

During the reporting year 2016-17, balance works of 11 kV express feeder mains is completed and STP at Surathkal is commissioned.

The expenditure during the year is ₹ 0.28 crores and cumulative project expenditure on all the components of the KUDCEM Project upto end of March, 2017 is ₹ 1001.39 crores.

#### B. World Bank assisted Karnataka Urban Water Sector Improvement Project (KUWASIP):

The World Bank assisted KUWASIP is a project for reforms in water and sanitation sector and service improvements in water sector. The estimated cost of the project was ₹ 237.04 crores. The project has been implemented in three cities viz., Belagavi, Kalaburgi and Hubballi-Dharawada during the period 2005-2011. All the works under the two physical components viz., (i) Priority Investments (for improving bulk supply) and (ii) Demonstration Project (for demonstrating feasibility of 24x7 continuous pressured water supply) have been completed and commissioned.

24x7 water supply systems was operationalized in five demo zones (two zones in Belagavi, one zone in Kalaburagi and two zones in Hubballi-Dharawada) during 2008. The system has been working satisfactorily and has benefitted a population of about ₹ 2.14 lakhs. The total expenditure incurred on the above project upto the end of March, 2017 is ₹ 215.12 crores.

The contract for O&M of 24x7 water supply in the Demonstration Zones are being carried out by respective ULBs with the assistance of PIUs of KUIDFCL located at Dharwad, Belagavi and Kalaburgi. Tender process for O&M of 24/7 water supply in Demo Zones are in progress.

### C. World Bank assisted Karnataka Municipal Reforms Project (KMRP)

The World Bank assisted Karnataka Municipal Reforms Project (KMRP) aims to improve the quality of life of citizens by improving the delivery of urban services and promoting good governance among the Urban Local Bodies (ULBs). KMRP addresses the need to strengthen institutional and financial frame works in Urban Service Delivery at ULB level. The total funding for this project is ₹ 1364 cr. and expenditure as on July, 2017 is ₹ 1297.37 crores.

The Project has been implemented in the following 30 Towns of the State:

Tiptur, Madikeri, Sringeri, Chittapur, Doddaballapur, Chikkaballapur, Bhadravathi, Hassan, Kolar, Savanur, Robertsonpet, Chitradurga, Chintamani, Holenarasipura, Kanakapura, Chikkamagalur, Nagamangala, Sira, T. Narasipur, Magadi, Nanjanagudu, Kollegala, Shimoga, Humnabad, Gurumitkal, Hiriyur, Harihara, Jewargi, Haliyal, &Hukkeri.

Two towns of Athani & Sakleshpur was dropped owing to non availability of land for construction of STP.

#### The Component wise progress is as follows:

##### A. Institutional Development Component: (₹ 102.4 Crore)

1. This component includes support for implementation of statewide reforms namely implementation of Double Entry Accrual Based Accounting system in 158 Urban Local bodies (ULB) and computerization of municipal functions in 164 ULBs of the State. A separate cell under the control of the Directorate of Municipal Administration (DMA) has been created for this purpose. The computerization of municipal functions covers five modules namely ULB website, Public Grievance Redressal, Birth and Death Certification and GIS based property tax information and the same are made live in all 164 ULBs. The Double Entry Accrual Based Accounting modules have been completed and is live in 158 ULBs.
2. This component also supports preparation of geo-referenced base maps for 28 urban areas. Accurate base maps are essential for preparation of preliminary engineering design for roads, bridges, culverts, storm water drain, water supply, underground drainage system and creation of legal boundary. An Urban Mapping cell has been exclusively set up to function under the control of Directorate of Town and Country Planning, Govt. of Karnataka, to oversee the implementation. Scientific Base Maps has now been prepared in 28 ULBs and MoD clearance obtained
3. This component also provides capacity building activity in identified 21 areas to the ULB staff and elected representatives for which State Institute of Urban Development (SIUD), Mysore has been appointed as the nodal agency. A strong



system and process is put in place at SIUD for carrying out capacity building activities for all Urban Functionaries in future. As many as 100 municipal officials have been identified to develop as resource persons. Further, effective training/learning modules have also been developed, to name a few of the major outcomes of this component. So far, 25,539 municipal functionaries have been trained and all the training related activities have been completed under the project.

## **B. Municipal Investment Component: (₹ 419 Crore)**

This component provides investment support for urban infrastructure improvement in selected 30 ULBs of the State. The ULBs have been grouped into four packages of 8, 5, 10 and 7 ULBs. Out of a total 90 works contract proposed under this component, 85 have been completed, 5 are in progress.

To bring in an effective monitoring system in implementation of the infrastructure projects (water supply, underground drainage, storm water drains, roads, rain water harvesting, construction of Low Cost Sanitation Units etc.,) dedicated Project Implementation Units, with a well defined responsibility matrix, have been set up at the Head Office and at each of the towns.

### **a. Water Supply:**

Augmentation of water supply work at a cost of ₹ 12.58 crores have been completed in Madikeri, Savanur, Chintamani, Hassan, Jewargi, Holenarasipura, Chitradurga and Sira. Chikkamagalur Works terminated amounting to ₹ 2.76 crore, work being taken up in AMRUT.

With an objective to bring in water sector reforms like reduction in unaccounted for water (UFW), 100% billing, adoption of volumetric tariff, the existing intermittent water supply has been upgraded for providing 24x7 continuous pressurized water supply in smaller urban areas.

24x7 Water Supply works are being implemented in the towns of Haliyal, Nanjangud and Magadi at an estimated cost of ₹ 68.17 cr. Distribution network of 267.74 km have been laid and 21598 houses have been connected with water supply. 1 work completed at Haliyal another 2 works is expected to be completed by September-2017.

### **b. Under Ground Drainage (UGD):**

UGD work at a cost of ₹ 75.04 cr has been completed in Chikkaballapur, Doddaballapur, Tiptur and the UGD missing link works at Hassan and Chintamani been completed at a cost of ₹ 2.24 cr. Works amounting to ₹ 73.53 cr is in progress at Bhadravathi, Humnabad & Harihara.

Sewer network length of 411.80 km has been laid and service connections to 37411 houses are being commissioned accordingly.



- a) Services of Non-Government Organisations(NGOs) were availed for building awareness in order to establish last mile connectivity at the end consumer .
- b) Further, in order to ensure that the UGD assets are put to proper use and the service levels are significantly improved, a model bid document has been prepared in collaboration with the World Bank for outsourcing of Operation and Maintenance through a Performance Based Management Contract (PBMC) and the same have been shared with the project ULBs.

**c. Sewerage Treatment Plants (STP):**

To improve the sanitary condition in urban areas, construction of STPs is proposed in Doddaballpur, Tiptur, Chikkaballpur and Humnabad.

The works of STP in Chikkaballpur, Dodaballapura & Tiptur have been completed and STP work at Humnabad is under progress.

**d. Storm Water Drains (SWD):**

Works for construction of 35.60 km Storm Water Drain estimated to cost ₹ 36 cr have been completed in Sringeri, Hassan, Savanur, Kolar, Robertsonpet, Gurmitkal, Chitradurga, Chintamani & Chikkamangalur.

**e. Solid Waste Management :**

The work of development of Land fill site in Chitradurga at a cost of ₹ 1.56 cr has been completed. Bid documents for outsourcing operation and maintenance through Performance Based Management Contract have been prepared in consultation with World Bank and the same have been forwarded to ULB for further necessary action.

**f. Rain Water Harvesting (RWH):**

Works at a cost of ₹ 2.40 cr have been completed at Kolar, Savanur, Robertsonpet, Chitradurga, Chintamani, Sira, Nagamangala and Hiriyur.

**g. Roads and Roadside drains:**

To bring in better road connectivity,works for a length of 252 km at a cost of ₹ 118 cr have been completed in Madikeri, Sringeri, Chittapur, Hassan, Kolar, Savanur, Robertsonpet, Chitradurga, Chintamani, Hassan, Kanakapura, Nagamangala, Shimoga, Chikkamagalur and Hiriyur.

**h. Low Cost Sanitation (LCS):**

With an objective to construct low cost sanitation units for the Economically Weaker Section in urban areas so as to eradicate the in-human practice of defecating in the open,3139 LCS units at a cost of ₹ 5.5 cr have been constructed. This activity has

improved the overall sanitation in the towns besides bringing dignity to the urban poor, especially the household women.

**i. Bangalore Development Component: (₹ 791 Crore)**

Bangalore Road Rehabilitation component supports rehabilitation of roads of about 125 kms of core city road network including improvement of foot path, drainage etc. The road rehabilitation work has already been completed by the BBMP.

Greater Bangalore Underground Drainage Program project supports construction of underground sewerage network of 2350 Km & about 2,50,000 House Service Connections (HSC). This component has been dovetailed with JnNURM program which has been approved by the Govt. of India for an amount of ₹ 383.44 Cr. So far, 2,350 Km of sewer lines have been laid and 2,50,000 HSC have been provided. 1991 LCS units have been constructed in the slum settlements under the Greater Bangalore pro-poor sanitation program.

**Finance plus Elements:**

- Improve public health by reducing the contamination of ground water resources due to onsite sewage disposal/open defecation.
- Minimizes the pollution of storm water channels, tanks, scenic lakes and ground water aquifers.
- Prevention of Sewage flow and reduction of pollution in about 70 lakes and sewage flow of about 230 MLD for 2011 & 410 MLD for 2036 will be intercepted & conveyed to the STPs.
- Eliminate unsanitary overflows from septic tanks and other sanitation facilities and replace the use of septic tanks which would help generate substantial cost savings, besides public health benefits.

The KMRP has been closed on 31st March, 2015. It is envisaged that most of the spill over works beyond the project closure date will be completed in the financial year 2017-18 out the Stage share.

**D. ADB assisted North Karnataka Urban Sector Investment Programme (NKUSIP):**

ADB assisted NKUSIP is being implemented in 25 towns predominantly located in northern region of Karnataka to boost economic growth in a region that has traditionally lagged behind. The primary objective of the programme is to improve the status of urban infrastructure and attempt towards better service provision, focusing on environmental sanitation improvement. The programme utilizes the Multi-tranche Financing Facility (MFF) of Asian Development Bank and is being implemented in Tranches.

**The 25 towns under the Program are:**

- Six city corporations - Hubballi-Dharwad, Belagavi, Kalaburagi, Ballari, Davangere and Vijayapura.
- 18 city municipal councils - Bidar, Raichur, Gangawati, Gadag-Betageri, Haveri, Hospet, Chamrajnagar, Gokak, Koppal, Ranebennur, Rabkavi-Banhatti, Yadgir, Basavakalyan, Jamkhandi, Sindhanur, Ilkal, Nippani and Shahabad.
- One town municipal council - Badami.

The components under NKUSIP include Water Supply, Sewerage, Urban Drainage, Slum Improvement, Roads and Non-Municipal Infrastructure (Fire & Emergency Service components, Lake Development, District Information Centre and Tourism Infrastructure).

**First Tranche:**

Total Project Cost	–	₹ 166.00 Crores (US \$ 36.9 m)
Loan Amount	–	₹ 121.72 Crores (US \$ 23.42 m)

This Tranche has been closed on 31<sup>st</sup> December, 2013. Since, the sewerage works could not be completed within this period, they have been shifted to Tranche 4 and the original project cost of Tranche 1 has been reduced from ₹ 281 crore (\$51 million) to ₹ 176 crores (\$ 36.9 million) with corresponding reduction in the loan amount from ₹ 148 crores (\$ 33 million) to ₹ 123.50 crores (\$ 23.7 million). The procurement of fire & emergency equipments, water supply works in Haveri, Hospet & Raichur, and construction of Urban Infrastructure Bhavan (Civil works) have been completed. The financial closure of First Tranche was on 30<sup>th</sup> June, 2014. The expenditure is ₹ 166 Crores and final loan amount is ₹ 121.72 crores (\$ 23.42 million).

**Second Tranche:**

Total Project Cost	–	₹ 1198.3 Crores (US \$ 210.3 m)
Loan Amount	–	₹ 701.1 Crores (US \$ 123.0 m)

The loan period for this Tranche has been closed on 05.12.2016. However, works have spilled over beyond loan period that are continued under State Share. This tranche includes 74 packages out of which 57 packages have been completed. Works for 16 packages are in progress. One contract has been terminated due to poor performance. The financial progress upto 31<sup>st</sup> March, 2017 is ₹ 928 crores.

**Third Tranche:**

Total Project Cost	–	₹ 477.99 Crores (US \$ 101.7 m)
Loan Amount	–	₹ 282.0 Crores (US \$ 60.0 m)

The loan period for this Tranche has been closed on 05.12.2016. However, works have spilled over beyond loan period that are continued under State Share. This tranche includes

26 packages out of which 19 packages have been completed. Works for 7 packages are in progress. The financial progress upto 31<sup>st</sup> March, 2017 is ₹ 321.89 crores.

#### Fourth Tranche:

Total Project Cost	–	₹ 501.05 Crores (US \$ 91.1 m)
Loan Amount	–	₹ 348.15 Crores (US \$ 63.3 m)

The loan period for this Tranche has been closed on 05.12.2016. However, works have spilled over beyond loan period that are continued under State Share. This tranche includes 18 packages out of which 3 packages have been completed. Works for 15 packages are in progress. The financial progress upto 31<sup>st</sup> March, 2017 is ₹ 368.59 crores.

#### Highlights:

- Continuous pressurised 24/7 water supply project in Ilkal has been commissioned.
- High end Sewage Treatment Plants (Sequential Batch Reactors) are constructed and commissioned in major City Corporations like Hubballi, Davangere and Kalburgi. One STP at Dharwad will be commissioned shortly.
- Major bulk water supply improvement works in Basavakalyan, Davangere, Shahabad, Bidar, Yadgir, Gokak and Chamarajanagar have been completed. In order to maximize the benefit of the project and to ensure last mile connectively, Performance Based Management Contracts have been entrusted in 12 ULBs to upgrade the current system to 24 X 7 continuous pressurized water supply system, which will benefit about 3,00,000 households. All 24 X 7 water supply works will be commissioned by next financial year. The 24 X 7 water supply works in Gadag-Betageri and Bidar have been partially commissioned. Hon'ble Chief Minister has inaugurated the partial system in Gadag-Betageri on 04.06.2017 and in Bidar on 13.08.2017.
- The sewerage works in Hubballi, Jamkhandi & Bidar have been completed and commissioned. Hon'ble Chief Minister has inaugurated the sewerage works in Bidar on 13.08.2017.

#### E. ADB assisted Karnataka Integrated Urban Water Management Investment Programme (KIUWMIP) “Jalasiri”

Government of Karnataka accorded approval for implementation of the Asian Development Bank (ADB) assisted “Karnataka Integrated Urban Water Management Investment Programme” (KIUWMIP) – 'Jalasiri' vide GO No. UDD/214/PRJ/2013 dated 20.09.2013 at an estimated cost of ₹ 1476 Crores with a loan component of ₹ 975 Crores from ADB. The Programme propose to cover an area of 377 Sq. kms to benefit a population of 1.3 million after its implementation. The project is expected to be completed in 10 years i.e. by 15 March 2024.

Further, Government of Karnataka accorded approval for additional funding vide G.O No. UDD 446 PRJ 2014 Bangalore dated 14.12.2016 from State funds to meet the deficit

due to change in scope and other reasons the cost of the project is revised to ₹ 2200.7 Crores. The programme, comprising the following three major components:

- 1) The bulk of investment pertains to expanding water supply and sewerage infrastructure in the selected cities. The programme aims to achieve comprehensive infrastructure of 24/7 water supply and underground drainage in the selected cities.
- 2) The second component relates to enabling urban local bodies to implement reforms in governance with focus on water and sanitation.
- 3) The third component aims to strengthen the role of Institution as a Special Purpose Vehicle and a financial intermediary to enable higher investments and sustainable growth in Urban Sector.

#### **Project Location:**

- 1) Tranche-1 covers investments for ULBs of Davanagere, Harihara and Byadagi in the upper Tunga Bhadra river basin.
- 2) Tranche-2 covers investments for ULBs of Mangalore, Puttur, Udupi and Kundapura.

#### **Project Status:**

##### **Status of Tranche-1:**

- **Sewerage Works:** All four sewerage work packages are awarded, two are at Davanagere, one at Harihara and one at Byadgi at a cost of ₹ 277.14 Cr. In the financial year 2016-17, total 94 km of sewer network laid in all three project towns against the target of 118 km and the 48 MLD STPs (25 MLD in Davanagere, 18 MLD in Harihara and 5 MLD in Byadgi) work is in progress.
- **Water Supply works:** There are six packages (three bulk water works and three distribution network works) for 24/7 water supply. Bulk water supply of Byadgi & Harihara awarded on 20 March 2017 and Davanagere bulk water works tendered on 14 December 2016 & under evaluation. Ranebennur water supply works under bid document preparation. Water distribution network works are under bid document finalization.

##### **Status of Tranche-2:**

There are four water supply and three sewerage sub projects in Tranche 2. The detailed project report (DPR) for 24x7 water supply have been accorded technical approval for Puttur, Kundapura water supply & Mangalore UGD pumping mains and DPR for Udupi and Mangalore water supply is under finalization. Remaining DPRs including land identifications are underway and expected to bid out by October 2017. Loan negotiation is expected to take place in October 2017.

### F. World Bank Assisted Karnataka Urban Water Supply Modernisation Project (KUWSMP):

Based on the success of 24x7 water supply demonstration project, the proposal of up-scaling 24x7 water supply to the entire corporation areas of Belagavi, Kalaburagi and Hubballi-Dharwad at an estimated cost of ₹ 1809 crores has been approved by the Government of Karnataka. The share of the World Bank is 67% (₹ 1209 crores). The estimated cost for Belagavi is ₹ 427 crores, Kalaburagi ₹ 489 crores and for Hubballi-Dharwad ₹ 763 crores.

#### Project Status:

- Loan negotiations for the project held on 29.2.2016 for US\$ 100 million with a provision for additional financing for US\$ 100 million.
- 12 year contract for Operator Services for Hubballi-Dharwad city awarded at a contract Price of ₹ 252 crores; Letter of award issued on 20.2.2016.
- Bids (2<sup>nd</sup> call) have been invited for Operator Services for Belagavi and Kalaburagi cities on 21.10.2016 and the last date for receipt of bids extended upto are 15.9.2017 and 18.9.2017 respectively.

### G. Jawaharlal Nehru Urban Renewal Mission (JnNURM):

Jawaharlal Nehru National Urban Renewal Mission (JnNURM) was launched by the Government of India (GoI) on 3<sup>rd</sup> December, 2005, to encourage cities to initiate steps to bring about improvement in the existing service level in a financially sustainable manner. The Mission comprises two sub-missions, viz., the Urban Infrastructure & Governance (UIG) and the Basic Services to the Urban Poor (BSUP).

The primary objective of the JnNURM was to create economically productive, efficient, equitable and responsive cities. 65 cities have been identified by the GoI under the Mission, which include Bangalore and Mysore from the state of Karnataka.

Funding Pattern: Two Sub-Missions UIG and BSUP function under separate Ministries. The project proposals under relating to UIG are managed by the Ministry of Urban Development Department (MoUD) while BSUP is administrated by Ministry of Housing and Urban Poverty Alleviation (MoHUPA). They have different funding

City	Funding Pattern				
	Urban Infrastructure & Governance			Basic Services to the Urban Poor	
	Central Share	State Share	ULB Share	Central Share	State/ULB Share
<b>Bangalore</b>	35	15	50	50	50
<b>Mysore</b>	80	10	10	80	20



Funds under the Mission would be released by the GoI to the State Level Nodal Agency, which in turn would release it to the Implementing Agencies in the form of loan, soft loan-cum-grant or grant.

### **Urban Infrastructure and Governance (UIG):**

49 Projects with an estimated investment of ₹ 3765.84 crore have been approved so far. Of this, the GoI's share is ₹ 1583.71 crore and the State Government's share is ₹ 472.27 crore. The GoI has released ₹ 1328.34 crore and Government of Karnataka has contributed its share of ₹ 635.44 crore. Against the total releases of ₹ 1963.78 crore, an amount of ₹ 3997.90 crores has so far been spent (including share of ULB/Implementing Agency). 42 projects have been completed so far. The cumulative financial progress for FY 2016-17 is ₹ 86.35 crore.

### **Basic Services to Urban Poor (BSUP)**

18 Projects with an investment of ₹ 837.79 crore have been approved so far. Of this, the GoI's share is ₹ 405.29 crore and the State Government share is ₹ 369.31 crore. The GoI has released ₹ 384.89 crore and Government of Karnataka has released ₹ 406.94 crore. Against the total releases of ₹ 791.83 cr., the total financial progress so far is ₹ 795.16 (including share of Implementing Agency/Beneficiaries). The cumulative financial progress is ₹ 25.63 crore

Under Basic Service to Urban Poor Sub-Mission, construction of 27,925 dwelling units, with all the essential services, in 158 slums benefitting about 1,39,625 dwellers in both Bangalore and Mysore cities have been approved. So far, 27385 Dwelling Units (DUs) have been completed and 540 DUs are under construction.

### **Transition Phase:**

**Urban Infrastructure and Governance:** So far, seven projects at an estimate of ₹ 418.12 crore have been approved. Of this, share of GoI is ₹ 216.50 crore and that of State Government is ₹ 104.82 crore. The GoI has released ₹ 68.15 crore and Government of Karnataka has released ₹ 12.17 crore. Against the total releases of ₹ 80.32 cr., the total financial progress so far is ₹ 99.83 crore. (Including share of Implementing Agency) The financial progress is ₹ 93.51 crore till date.

**Urban Transport:** Eight projects, at an estimate of ₹ 297.23 crore, have been approved for Bengaluru and Mysuru. Of this, share of GoI is ₹ 111.60 crore and share of State Government is ₹ 49.15 crore. The GoI has released ₹ 54.00 crore and Government of Karnataka has released ₹ 21.60 crore. Against the total releases of ₹ 75.60 cr., the total financial progress so far is ₹ 89.37 (including share of Implementing Agency). The cumulative financial progress for FY 2016-17 is ₹ 47.12 crore.

So far, constructions of 5 depots have been completed. Out of 593 buses to be procured, 93 buses have been procured for Mysore city.

**Urban Transport – Urban Infrastructure Scheme for Small and Medium Town (UIDSSMT):** For 31 towns, 47 Projects at an estimate of ₹ 469.26 crore have been

approved. Of this, share of GoI is ₹ 270.85 crore and share of State Government is ₹ 152.66 crore. The GoI has released ₹ 185.07 crore and the Government of Karnataka has released ₹ 95.78 crore. Against the total releases of ₹ 280.85 cr., the total financial progress so far is ₹ 293.49 (including share of Implementing Agency). The cumulative financial progress for the FY 2016-17 is ₹ 153.34 crore.

So far, procurement of buses for 19 cities and depot constructions in 15 cities/towns have been completed. Out of 1108 buses to be procured, 806 buses have been procured till date.

#### **H. Solid Waste Management project for Bengaluru city**

The Government of Karnataka (GoK) with an objective to improve the quality of Solid Waste Management (SWM) services in the Bruhat Bengaluru Mahanagara Palike (BBMP) area has proposed to establish Solid Waste processing, treatment and disposal facilities. In this regard, a Government Order (GO) No.UDD 491 MNY 2014 dtd. 26.08.2014 has been issued. The Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFCL) has been nominated as the Nodal Agency. The Government has allocated ₹ 440/- crore for this purpose. The civil works are to be implemented through Karnataka Rural Infrastructure Development Ltd. (KRIDL) on Deposit contribution basis.

The Solid Waste processing, treatment and disposal facilities are established in 6 sites besides upgrading the KCDC plant. These plants can handle about 2300 TPD of waste. All necessary waste processing equipments & machineries and waste handling vehicles have been procured.

KUIDFCL has engaged National Institute for Interdisciplinary Science and Technology Council of Scientific and Industrial Research, Thiruvananthapuram as consultants, for providing tailor made solution for controlling odour inside and outside the sheds. Once the same is implemented these plants would be free from odour nuisance besides being first of its kind in the country. A pilot system at KCDC is taken up and is at the stage of commissioning.

Environmental clearances for all the proposed units have been obtained from State Level Environment Impact Assessment Authority of Karnataka, as mandated under EIA Notification, 2006. The consent for establishment of units have been obtained from KSPCB. Also, the approvals from BDA are obtained.

In order to Operate and maintain these plants, Private Operators have been appointed through a "Performance Based Management Contract" for carrying out day-to-day operations in an efficient and effective manner and all the plants are commissioned. The overall expenditure of the project is ₹ 285.74 cr.

#### **I. SMART CITY MISSION**

The Government of India has launched Smart City Mission on 25th June 2015, with the objective of providing core infrastructure, a clean and sustainable environment and application of 'Smart' Solutions, in a sustainable and inclusive development model that is



replicable. The mission will cover 100 cities and its duration will be five years (FY 2015-16 to FY 2019-2020). Each city will get ₹ 1000 Cr. over a period of 5 years.

7 Cities are selected under the mission: Belagavi & Davanagere in Round 1 competition, Hubballi-Dharwad, Mangaluru, Shivamogga & Tumakuru in Round 2 competition and Bengaluru in Round 3 competition.

As per the mission guidelines a Special Purpose Vehicle (SPV) will implement the smart city projects at city level. SPVs, as limited company registered under Companies Act 2013, are incorporated in all the 6 cities except Bengaluru.

State Government has allocated ₹ 800 Cr in its 2017-18 Budget estimate.

First installment of ₹ 396 Cr each (₹ 196 Cr of GoI & ₹ 200 Cr of GoK) released to Belagavi & Davanagere. For Round 2 cities ₹ 216 Cr each (₹ 111 Cr from GoI & ₹ 105 Cr from GoK) released to the cities.

Project Management Consultants (PMC) appointed in every city to assist the SPVs.

Projects tendered till date by the SPVs:

Sl. No.	Project Name	Tendered Value (₹ Cr)
<b>BELAGAVI</b>		
1	Appointment of System Integrator for establishment of Common Command & Control Centre	77.00
2	Construction of two Smart roads at KPTCL road and Mandoli road	20.38
3	Heritage Park - Water Body & Check Dam (Construction of two Check Weirs in Heritage park)	3.80
<b>DAVANAGERE</b>		
1	Improvement of MG road, Mandipet road and Chamarajpet road as Smart Roads	17.92
2	Mandakki Bhatti Pilot Project	0.31
3	Public toilets in Mandakki Bhatti Area	0.41
<b>TUMAKURU</b>		
1	Improvement to playground at Govt. PU college	0.90
2	Diorama at Govt. PU college	1.26
3	Smart Lounge	0.16
4	Development of Smart Park	0.41

## J. IMPLEMENTATION OF WATER SUPPLY IN 9 TOWNS OF KARNATAKA

### BACKGROUND

Government of Karnataka, Vide Government Order No.UDD 14 PRJ 2012, Bangalore, dated: 20-11-2012, has accorded sanction for implementing water supply and UGD in 16 towns at an estimated cost of ₹ 205.87 cr.

Towns where no investment has been made, either under Externally Aided Projects or under the action plans of KUWS&DB in 2010-2011 & 2011-12 were included.

### PERIOD

Implementation & completion of the project in all the towns is 3 years. (The effectiveness of the contract is from 20.12.2013)

### FUNDING PATTERN

Project funding is through 50% borrowing from domestic market & 50% through Government Grant.

### REPAYMENT

Repayment of borrowing would be through securitization of SFC devolution / Beneficiary Contribution / General Revenues of ULBs.

### IMPLEMENTATION STRUCTURE

Implementation structure is on line of Externally Aided Projects viz., constitution of Empowered Committee, Project Monitoring Unit., Project Implementation Unit, Third Party Inspection, etc., for implementation of the project

### PROJECT STATUS

16 towns have been grouped into 3 packages. 3 Consultancy firms have been appointed by following KTPP act.. The selected consultancy firms are as follows:

1. M/s Voyants Solutions Pvt. Ltd., Package – I (6 towns viz. Gajendragad, Naregal, Mundargi, Bankapur, Alnavar & Mulki)
2. M/s CDM Smith India Private Limited Package – II (5 towns viz. Kampli, Tekkalakote, Kottur, Kamalapura & Molakalmur)
3. M/s Tata Consulting Engineers Limited Package – III (5 towns viz. Mahalingapura, Teredal, Mudagal, Kudachi & Shiralkoppa)

Out of the 16 towns, Water Supply DPRs for 11 towns have been prepared and Technical Sanction has been accorded for the DPRs of 10 towns. DPRs for the balance 5 towns were not prepared as the projects were already taken up by KUWS&DB (Alnavar, Naregal, Bankapur & Gajendragad) and by RDPR (Molalkalmur).

With a view to bring in synergy and to avoid duplication of work, the Empowered Committee vide, its 2nd meeting held on 16.07.2015 resolved to transfer the entire project to KUWS&DB. The said decision was communicated to the Government for issuance of Government order. However, some observations were noted regarding the constraints of KUWSDB to take up the project. Hence a meeting was held on 19.03.2016, under the chairmanship of the Additional Chief Secretary, UDD, GoK, keeping in view the necessity of the project and of the fact that there has been substantial delay in issuance of GO, suggested KUIDFCL to take over the implementation work in 11 towns which are not getting covered under KUWS&DB and RDPR. It was also instructed to bring to the notice of the Empowered Committee.

In the meeting held on 12.04.2016, under the chairmanship of the Managing Director, KUIDFCL with the ULB Presidents/Chief Officers/Representatives and the Consultants, the representatives of Kudachi & Kamlapura opted to be out of the scheme stating that their towns had sufficient Water Supply. Thus only 9 towns out of 16 towns remained for the implementation of Water Supply.

Accordingly, the same was placed before the 3rd Empowered Committee meeting held on 27.05.2016 and after discussions, the Empowered Committee resolved that, KUIDFCL to implement the Water Supply Scheme for balance 9 towns viz., Mundargi, Kampli, Tekkalakote, Kottur, Mahalingapura, Teredal, Mudagal, Shiralkoppa & Mulki & drop the 7 Towns and UGD from the project and as per the power vested in the Government Order dated 20-11-2012, the Empowered Committee resolved to inter allocate the funds from one component to another or from one town to another, which is well within the allocated amount of ₹ 205.87 crores.

Accordingly, Government of Karnataka, vide Government Order No.UDD 14 PRJ 2012, Bangalore, dated: 06-04-2017 has accorded sanction for implementing water supply in 9 towns at an estimated cost of ₹ 205.87 cr.

As per the instruction of Managing Director, KUIDFCL the consultants revised the Detailed Project Reports for 8 towns and same has been technically sanctioned by Chief Engineer, NKUSIP.

Further, consultants have submitted the final Tender Documents of Kottur, Tekkalkote, Mulki, Mundargi, Mudgal, Terdal & Mahalingapura. All 7 tender documents are approved by the Chief Engineer and Tenders for all the seven towns have been invited/published by following the KTPP Act.

The draft tender document of Kampli is under scrutiny. However, due to non finalization of the water source for shirlakoppa DPR is not yet finalized.

### **K. Megacity Scheme (MCRF)**

Centrally sponsored Megacity Scheme, which was launched by Government of India during 1995, has been closed during year 2005. Scheme guidelines provide for creation of

Revolving fund - Megacity Revolving Fund (MCRF) - out of repayment of loans and interest earnings under the Mega City Scheme to be managed by your Company. MCRF has been operative from 01.04.2005.

The corpus of the Megacity Revolving Fund as on 31.03.2017 is ₹ 1308.75 (P.Y - 1212.96) crores. The cumulative sanction under MCRF is about ₹ 2455.13 (P.Y - 2424.28) crores for 34(P.Y - 33) projects estimated to cost ₹ 5071.75 (P.Y - 5014.05) crores.

Further Nine projects at a cost of ₹ 1521.31 crores have been completed. Ten projects at an estimated cost of ₹ 1138.70 crores are in progress. A total amount of ₹ 1104.51 crores has so far been released till 31.03.2017. During the year 2016-17, ₹ 479.12 Crores has been disbursed as loan to different implementing agencies (IA's) and ₹ 167.46 crores has been collected as repayments towards principal and interest from the IAs during the financial year.

#### **L. Karnataka Water Sanitation and Pooled Trust Fund (KWSPF Trust)**

Government of Karnataka, in order to promote congenial urban environment, spur economic growth, has accorded approval for implementation of Chief Minister's Small and Medium Town Development Programme (CMSMTDP) in 211 ULBs at an estimated cost of ₹ 1454 crore in 1<sup>st</sup> phase and ₹ 2,020 crore in 2<sup>nd</sup> phase.

Further, the Government of Karnataka has accorded approval for implementation of Chief Minister's **Special Grant of ₹100 crore for each City Corporation under Nagarothana Programme to Grade - 2 City Corporations** in the State of Karnataka at an estimated cost of ₹ 700 crore each under phase 1 & 2 respectively and ₹ 1,000 crore in phase - 3.

The Sources of financing of these projects is by way of SFC grants and Market Borrowings through Karnataka Water and Sanitation Pooled Fund Trust (KWSPF Trust) – Government of Karnataka Trust.

Your Company as Fund Manager of KWSPF Trust has so far raised loan of ₹ 1,450.00 crore under CMSMTDP scheme to 211 ULBs and ₹ 550 crore under Nagarothana to City Corporations through market borrowings from Banks. Out of these loans sanctioned by Banks, your Company through Trust has availed funds of ₹ 1,163.70 crore under CMSMTDP scheme to 211 ULBs and ₹ 284.70 crore under Nagarothana to City Corporations and released to Directorate of Municipal Administration (Nodal Agency) for implementation of the scheme.

#### **M. City Cluster Development**

City Cluster Development (CCD) is an urban led strategy towards promotion of economic and social development under which closely located areas of human settlements are linked together functionally, structurally and spatially to form an integrated urban region. Your Company has conceptualized CCD around Bengaluru on the lines of guidelines of Asian Development Bank's City Cluster Development and the Government of Karnataka has accorded approval for the project on 28.01.2013. The estimated cost of the project is ₹ 2100

crores including ADB assistance of ₹ 1400 crores. Your Company has been nominated as the nodal and co-ordinating agency of Government of Karnataka for this project.

**Objective:** To spur economic activity around Bengaluru through planned development in Bangalore Metropolitan Region (BMR) along with structural & administrative reforms

**Components:**

- i) Upgradation of existing level of infrastructure in the cluster towns and boosting economic potential of the clusters.
- ii) Providing seamless transport to improve connectivity to Bengaluru and within the cluster towns.
- iii) Reforms - Strengthening Regional Planning Institutions & Capacity Building.

**Programme outputs**

- i) Strengthened economic planning and urban management in BMR;
- ii) Improved sustainable urban economic infrastructure developed in selected BMR clusters;
- iii) Improved business enabling environment;
- iv) Improved seamless transport and information communication network to improve connectivity to Bangalore and within the Cluster Towns;
- v) Innovative financing by tapping land resources development, private sector participation and convergence of Government investments;

**Status of the Project**

- In the 1<sup>st</sup> Empowered Committee meeting held on 11.03.2015 6 clusters were shortlisted for further feasibility studies. (Devanahalli, Dabbaspeta, Bidadi, Harohalli, Nelamangala and Doddaballapur).
- Tripartite Portfolio Review Meeting (TPRM) for ADB assisted project was conducted by DEA on 23.07.2015 at New Delhi to review the progress of the project.
- Phase IB Final Report submitted by PPTA consultants (M/s Crisil) in August 2015.
- In the 2<sup>nd</sup> Empowered Committee meeting held on 26.08.2015, Devanahalli cluster was recommended for investment under the project. EC also recommended to prepare basic infrastructure plan for the other 5 short listed clusters and to seek cabinet approval.
- ADB mission visited between 02-04 December 2015
- Finance Department, GoK communicated to Department of Expenditure GoI about withdrawal of the concurrence of the Finance Department for issuing the Debt

Sustainability Certificate from Government of India for implementation of ADB assisted Bangalore City Cluster Development (BCCD), vide letter No. FD 21 PMU 2012 dated 15-12-2015.

- A meeting under the Chairmanship of Additional Chief Secretary, UDD was held on 28.12.2015 to discuss the way forward in view of the letter of Finance Department GoK. ACS, UDD suggested to place the subject before the Cabinet.
- A revised draft cabinet note in this regard is submitted to UDD on 01.07.2016 for placing it before the cabinet for a decision.

#### **M. HERITAGE CITY DEVELOPMENT AND AUGMENTATION YOJANA (HRIDAY)**

The Ministry of Urban Development, Government of India, launched the HRIDAY scheme on 21st January, 2015, with a focus on holistic development of heritage cities.

Twelve heritage cities across India are selected for development. Badami is one among them. HRIDAY is a Central sector scheme, with 100% funding by Government of India.

KUIDFCL is nominated as Nodal Agency for handling all issues relating to HRIDAY in the State vide GO No UDD 12 PRJ 2015 dated 18.02.2016. At a total project cost of ₹ 22.26 Crores.

#### **Status of the Project:**

National Empowered Committee (HNEC) accorded approval for the following projects:

1. Under Ground Drainage and Wash Penn at Tattakote Village of Badami.
  - Work order issued to contractor on 8.4.2017. Awaiting ASI Clearance.
2. Integrated development and improvement of arterial roads, transportation infrastructure and road signage.
  - Work order issued on 4.8.2017 for road works. (₹ 6.46 Cr) work started at site.
  - Land for parking area development is under the process of acquisition by District Administration, Bagalkot.
  - Signages and Arches DPR is finalization.
3. Improvement of Historic Vernacular Building Facade and Streetscape
  - DPR is under finalization.
4. Solid waste management (zero waste management)
 

Tender called only for civil work. Technical and Financial Bid approved by TMC & LoA issued on 11-08-2017.

**I Status of UIDF & MCRF Revolving Fund as on 31.03.2017**

(₹ in Crores)

Projects		Balance as on 31.3.16	Repayments during 16-17	Earnings on Redeployment during 16-17	Funds Utilized during 16-17	Balance as on 31-03-17
<b>1. UIDF</b>						
a.	KUIDP	426.20	6.84	33.46	-	466.50
b.	KUDCEMP	3.50	-	0.29	-	3.79
c.	KMRP	0.67	97.61	0.05	-	98.33
d.	JNNURM	6.43	7.42	0.82	-	14.67
<b>2. MCRF</b>		578.62	167.46	45.05	56.06	735.07
<b>TOTAL</b>		<b>1,015.42</b>	<b>279.33</b>	<b>79.67</b>	<b>56.06</b>	<b>1,318.36</b>

**II Loan due as on 31.03.2017**

Sl. No.	Name of the Project	Balance due as on 31.3.16	Demanded during 16-17 (P+I)	Repayments during 16-17	Dues as on 31.3.17		Total Loan yet to fall due
					Principal	Interest	
1	KUIDP	470.33	66.04	6.84	186.30	343.23	<b>67.16</b>
2	KUDCEMP	622.68	122.81	-	262.22	483.27	<b>331.35</b>
3	KMRP	79.93	20.10	97.61	0.81	1.61	<b>92.88</b>
4	JNNURM	198.19	93.86	7.42	284.63	-	<b>228.15</b>
5	MCRF	2.66	189.48	167.45	18.96	5.73	<b>612.98</b>
<b>TOTAL</b>		<b>1,373.79</b>	<b>492.29</b>	<b>279.32</b>	<b>752.92</b>	<b>833.84</b>	<b>1,332.52</b>

**Computerization in KUIDFCL:**

Computerization in KUIDFCL commenced during the year 2000 with the implementation of Electronic Data Management System (EDMS), developed using Lotus Notes, in the Head Office. This also included office automation applications like Leave, Material Indent, resource reservation for meetings and conferences, e-Attendance, employee data base, etc. In order to streamline the infrastructure available in the Company, IT Asset Management Policy has been implemented and Document Management System for closed files/documents has been deployed. KUIDFCL has now started implementing Paper-less office application in the organisation and is under progress. IT section has recently developed in-house applications like



- Project Monitoring Tool to monitor the progress both physical and financial of all projects under KUIDFCL
- Bank Guarantee Monitoring Application to ensure the BG validity, Asset Management Tool to monitor the assets at KUIDFCL
- Training Report Application for training and capacity building
- Resource Reservation Application to avoid duplicate entry in the existing software
- Investment Application for Finance section.

KUIDFCL website has been revamped. A new portal for recruitment has been developed and deployed. KUIDFCL has also initiated to develop Employee Management Application for the organisation and is in progress.

To strengthen and guide the development of IT infrastructure and facilities, a Technical Advisory Committee (TAC) consisting experts from NIC, IIIT-B, STPI & senior officers of the Company has been constituted. The IT infrastructure is being reviewed and upgraded periodically keeping in view the overall computerization requirements of the Company.

#### **Human Resource Management:**

Your Company, considering human resource as its most valuable resource, has been deploying qualified and experienced personnel from various sources to implement projects. Your management has been *making all efforts* to sharpen the knowledge and skills needed to effectively perform their functions through trainings.

#### **(a) DIRECTORS RESPONSIBILITY STATEMENT:**

Your Directors confirm that:

1. In the preparation of Annual Accounts, the applicable accounting standards have been adhered to along with proper explanation relating to material departures.
2. The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year.
3. The Directors have taken proper and sufficient care towards the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
4. The Annual Accounts have been prepared on a going concern basis.
5. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.



**(g) ACKNOWLEDGMENTS:**

Your Directors thank the Government of India, particularly the Ministry of Urban Development and the Ministry of Finance, the State Government, especially the Urban Development Department and the Finance Department, the Chief Secretary to Government, Additional Chief Secretary to Government of Karnataka & Chairman of the Empowered Committees/Mega City Sanctioning Committee for their continued support in the conduct of the Company's business.

Your Directors also thank the Asian Development Bank (ADB), the World Bank, Controller of Aid, Accounts & Audit (CAAA), and State Bank of Mysore, Canara Bank Corporation Bank, Vijaya Bank, IDBI Bank, Syndicate Bank and Union Bank of India for all the support being extended during implementing the projects. Further, Your Directors thank the implementing agencies viz. Bruhat Bengaluru Mahanagara Palike, Karnataka Urban Water Supply & Drainage Board, Bengaluru Water Supply & Sewerage Board, Mangalore City Corporation, Bengaluru Development Authority, Karnataka State Road Transport Corporation, Bengaluru Metropolitan Transport Corporation, Karnataka Slum Development Board, Mysore City Corporation, Mysore Urban Development Authority, Hubli-Dharwad Municipal Corporation, Belgaum, Gulbarga & Bellary Corporation, Department of Tourism, Heritage Department and other I.As. for their support in the implementation of the projects.

The employees of the Company have been responding to the challenges posed during the implementation of projects and programmes competitively. Your Directors take this opportunity to place on record their appreciation for the sincerity and hard work of all the employees of the Company.

For and on behalf of the Board of Directors

**Sd/-**  
**(MD.Krishnamurthy)**  
**Chairman**

Date: 29th Aug 2017  
Bengaluru

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2017

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U85110KA1993SGC014869
2.	Registration Date	02.11.1993
3.	Name of the Company	Karnataka Urban Infrastructure Development and Finance Corporation Limited
4.	Category/Sub-category of the Company	Company limited by shares / State Government Company
5.	Address of the Registered office & contact details	Nagarabhivridhi Bhavana, # 22, 17 F Cross, Binnamangala II Stage, Old Madras Road, Indiranagar, Bengaluru - 560 038
6.	Whether listed Company	Unlisted
7.	Name, Address & contact details of Registrar & Transfer Agent, if any.	Not applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the product	% to total turnover of the company
1	Nodal Agency for Implementation of Urban Infrastructure Developments Projects in Karnataka		

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN/GLN	CIN/GLN Holding/ Subsidiary/ Associate	% of share held	Applicable Section
1	--	--	--	--	--
2	--	--	--	--	--

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
(1) Indian									
a) Individual/HUF	--	--	--	--	--	--	--	--	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	606476	606476	75.20	--	606476	606476	75.20%	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--

e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other....	--	606476	606476	75.20%	--	606476	606476	75.20%	--
Sub total (A) (1) :-									
(2) Foreign	--	--	--	--	--	--	--	--	--
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-									
Total	--	606476	606476	75.20%	--	606476	606476	75.20%	--

shareholding of Promoter (A) = (A)(1)+(A)(2)									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--

g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds									
i) Others (As per Annexure A)	--	200012	200012	24.80%	--	200012	200012	24.80%	--
Sub-total (B)(1):-	--	200012	200012	24.80%	--	200012	200012	24.80%	--
2. Non- Institutions	--	--	--	--	--	--	--	--	--
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	--	--	--	--	--	--	--	--
c) Others (specify)	--	--	--	--	--	--	--	--	-
Sub-total (B)(2):									
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	--	<b>200012</b>	<b>200012</b>	<b>24.80%</b>	--	<b>200012</b>	<b>200012</b>	<b>24.80%</b>	--
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	--	<b>806488</b>	<b>806488</b>	<b>100%</b>	--	<b>806488</b>	<b>806488</b>	<b>100%</b>	--

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	State Government of Karnataka	606476	75.20%	--	606476	75.20%	--	--
	Total	606476	75.20%	--	606476	75.20%	--	--

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change in Promoter's shareholding during the Financial Year 2016-2017.			
	At the End of the year				



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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Refer Annexure B			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year ( or on the date of separation, if separated during the year)				

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

**(V) INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	--	--	--
<b>Change in Indebtedness during the financial year</b>				
• Addition	--	--	--	--
• Reduction	--	--	--	--
<b>Net Change</b>	--	--	--	--

<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	--	--	--
<b>Change in Indebtedness during the financial year</b>				
• Addition	--	--	--	--
• Reduction	--	--	--	--
<b>Net Change</b>	--	--	--	--
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	--	--	--

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		--	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission - as % of profit - others, specify...	--	--
5.	Others, please specify	--	--
	Total (A)	--	--
	Ceiling as per the Act	Not applicable	Not applicable

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors				
	• Fee for attending board / committee meetings	--	--	--	--
	• Commission				
	• Others, please specify				
	<b>Total (1)</b>	--	--	--	--
	Other Non-Executive Directors	As per Annexure - C			14,000.00
	• Fee for attending board / committee meetings				
	• Commission				
	• Others, please specify				
	Total (2)	--	--	--	--
	Total Managerial Remuneration	--	--	--	--
	Overall Ceiling as per the Act	--	--	--	--

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

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

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any(give Details)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

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

For and on behalf of the board

Sd/-

**Shri A B Ibrahim, IAS**  
06695818, Managing Director

Sd/-

**Shri M D Krishnamurthy**  
07609619, Chairman

Place : Bengaluru  
Date : 29 Aug 2017

## ANNEXURE A

Sl. No.	Name of the public Shareholders	Number of Shares held at the beginning of financial year (Nominal value share: INR 100/- each)	Number of shares held at the end of financial year (Nominal value share: INR 100/- each)	% change during the year
1.	Principal Secretary, Housing Department	1	1	--
2.	Commissioner, Bangalore Development Authority	1	1	--
3.	Principal Secretary, Finance Department	1	1	--
4.	Chairman, Bangalore Development Authority	2,00,001	2,00,001	--
5.	Chairman, BWSSB	1	1	--
6.	Commissioner, BMRDA	1	1	--
7.	Dy. Director, Town Planning, BMRDA	1	1	--
8.	Additional Chief Secretary, GOK	1	1	--
9.	Principal Secretary, Urban Development Dept	1	1	--
10.	Secretary-II-Urban Development Department	1	1	--
11.	Secretary, Finance Department	1	1	--
12.	Commissioner, BBMP	1	1	--
<b>Total</b>		<b>2,00,012</b>	<b>2,00,012</b>	<b>--</b>



**ANNEXURE – B**

Sl. No.	Date of transaction	Nature of transaction	Name of the share-holders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total outstanding shares of the Company	No. of shares	% of total outstanding shares of the Company
1.	01.04.2016	Opening Balance	Principal Secretary, Housing Department	1	0.00012%		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--	--
	31.03.2017	Closing Balance				1	0.00012%
2.	01.04.2016	Opening Balance	Commissioner, Bangalore Development Authority	1	0.00012%		

	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--	--
	31.03.2017	Closing Balance				1	0.00012%
3.	01.04.2016	Opening Balance	Principal Secretary,	1	0.00012%		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	Finance Department	--	--	--	--
	31.03.2017	Closing Balance				1	0.00012%
4.	01.04.2016	Opening Balance	Chairman, Bangalore Development Authority	2,00,001	24.79%		

	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--	--
	31.03.2017	Closing Balance				2,00,001	24.79%
5.	01.04.2016	Opening Balance	Chairman, BWSSB	1	0.00012%		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--	--
	31.03.2017	Closing Balance				1	0.00012%

6.	01.04.2016	Opening Balance	Commissioner, BMRDA	1	0.00012%		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--	--
	31.03.2017	Closing Balance				1	0.00012%
7.	01.04.2016	Opening Balance	Dy. Director, Town Planning, BMRDA	1	0.00012%		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /						

	bonus/ sweat equity etc):						
	31.03.2017	Closing Balance				1	0.00012%
8.	01.04.2016	Opening Balance	Additional chief secretary, GOK	1	0.00012%		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):						
	31.03.2017	Closing Balance				1	0.00012%
9.	01.04.2016	Opening Balance	Principal Secretary, Urban Development Department	1	0.00012%		

	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):						
	31.03.2017	Closing Balance				1	0.00012%
10	01.04.2016	Opening Balance	Secretary-II-Urban Development Department	1	0.00012%		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):						

	31.03.2017	Closing Balance				1	0.00012%
11	01.04.2016	Opening Balance	Secretary, Finance Department	1	0.00012%		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):						
	31.03.2017	Closing Balance				1	0.00012%
12	01.04.2016	Opening Balance	Commissioner, BBMP	1	0.00012%		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /						

	bonus/ sweat equity etc):						
	31.03.2017	Closing Balance				1	0.00012%

For and behalf of the board

Sd/-

**Shri A B Ibrahim, IAS**  
06695818  
Managing Director

Sd/-

**Shri M D Krishnamurthy**  
07609619  
Chairman

Place : Bengaluru  
Date : 29 Aug 2017



**ANNEXURE - C**

Karnataka Urban Infrastructure Development & Finance Corporation Limited  
Statement showing the details of Sitting Fee Paid to Directors for F.Y.2016-17

(Amount in ₹)

Sl. No	Name of the Director	Amount paid in Board Meetings No./Date			21st Audit Committee Meeting held on 7-7-2016	Grand Total
		74/ 13.7.16	75/ 8.11.16	76/ 4.3.17		
1	Shri Srivatsa Krishna, IAS	1000	1000	-	-	<b>2000</b>
2	Shri MD.Krishnamurthy	-	-	1000	-	<b>1000</b>
3	Shri Mahendra Jain, IAS	-	1000	-	-	<b>1000</b>
4	Shri T.K.Anil Kumar, IAS	-	-	-	1000	<b>1000</b>
5	Shri Ritesh Kumar Singh, IAS	-	1000	-	1000	<b>2000</b>
6	Dr. Vishal.R, IAS	1000	1000	-	-	<b>2000</b>
7	Shri B S.Shekharappa, IAS	1000	-	-		<b>1000</b>
8	Shri Venkataramu	1000	1000	1000		<b>3000</b>
9	Shri Syed Hashim	1000	1000	1000		<b>3000</b>
10	Shri Dowlath Baig	1000	1000	1000		<b>3000</b>
	<b>Total</b>	<b>6000</b>	<b>7000</b>	<b>4000</b>	<b>2000</b>	<b>19000</b>

**G.V. ACHARYA & Company**  
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT**

To The Members of

Karnataka Urban Infrastructure Development & Finance Corporation Limited

**REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of Karnataka Urban Infrastructure Development & Financial Corporation Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2017, the Profit and Loss Statement, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matter**

The Company, as a nodal agency of Government of Karnataka (hereinafter referred to as 'GoK') for implementation, monitoring and management of funds of external aided projects and centrally sponsored scheme, has adopted and structured its accounting of expenses & receipts on actual basis in respect to Jawaharlal Nehru National Urban Renewal Mission (JNNURM) project. The company functions as a fund manager for implementation of the projects in the state of Karnataka. The funding pattern, while finalizing the project, includes Grant and Loan component to the Urban Local Bodies (ULBs) / Government agencies where the projects are implemented. The contractors are appointed by the respective commissioners and projects implemented by the ULBs/Agencies. Based on the progress of the work on the projects and certification by the concerned agencies, disbursements are made to the ULBs / Government agencies. The operational expenses/costs and connected revenue receipts/accretions are charged to the project concerned or taken to the appropriate revolving funds, where beneficial holding rests with GOK.

In the light of the policy and accounting method adopted by the company, the company is technically left with only operating funds to carry out its allocated nodal functions. The corporate expenses are charged and set off against the budgetary grants allocated by the GOK, leaving "no Profit no loss" status in its statement of Profit & Loss. The short term and long term assets and liabilities, except corporate held assets, are held on behalf of GOK.

In the light of the position stated above, the applicability of various standards and representation of figures in financial statements are to be seen and read accordingly, though in variance with provisions of Accounting Standard No. 9 with respect to Note no. 17. In our opinion and to the best of our knowledge and according to the explanations given to us, the annexed financial statements together with notes forming part thereof give the information required by the Act in the manner so required and subject to:

- a) The operational fund (interest free) requirement of Karnataka Water and Sanitation Pooled Fund (Trust) (KW&SPF) amounting to ₹ 3,00,00,000 (previous year ₹ 1,19,13,329/-) is initially met through the allocation from Karnataka Urban Infrastructure and Finance Corporation Limited in the course normal operation and no specific directive obtained from the Government. However the balance receivable towards this transfer to KW&SPF as at the year-end was nil.
- b) Note no. 18 - regarding the technical and management support, consultancy fees under JnNURM project, debited to Statement of Profit & Loss for the year and the reimbursement of the expenditure from GOI is accounted in the year of receipt. The amount of such expenditure debited pending reimbursement is ₹ Nil (previous year ₹ 7.35 Lakhs).
- c) Note no. 21 - regarding interest on the loan component provided to the project's agencies and the reflection of the same as due payable to GOK and receivable from Implementing Agencies.
- d) Note no. 28 - regarding adjustment of advances in respect of externally aided projects, given to Implementing Agencies, NGOs, and others, being accounted on receipt of utilization report submitted by the respective agencies, in terms of the extant guidelines from the funding agencies.

Our opinion is not qualified in respect of above matters.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. The Comptroller & Auditor General of India has issued direction indicating the areas to be examined in terms of sub section (5) of section 143 of the Companies Act 2013, compliance of which are set out in Annexure II.
3. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. According to Notification General Circular No 8/2002:No 02-05-2001 CL. V dated 22/03/2002 vide Para 8 (ii) of Department of Company Affairs, the provisions of section 164 of Companies Act, 2013 on the disqualification of the directors is not applicable to this company.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure III.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in Note No 31 to the Standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts, if any.
  - iii. There were no amounts which were required to be transferred, to investor education and protection fund by the company.

For **G.V.ACHARYA & Company**  
Chartered Accountants  
ICAI Firms Registration No: 00029S

Sd/-  
**G. Vamanacharya**  
Partner  
Membership No :009850  
Bengaluru  
Date: 29<sup>th</sup> Aug 2017

## Annexure I to the Independent Auditors' Report

**The Annexure I referred to in our Independent Auditor's report to the members of the company on the financial statements for the year end 31 March 2017.**

1. In respect of the fixed assets of the Company:
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. "Nagarabhiruddi Bhavan" constructed and financed under NKUSIP funds of ADB at a cost of ₹ 26.89 Crores is transferred to KUIDFCL on 01.03.2017 as per order dated 28.06.2017 of Joint Managing Director .
  - b. The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with a regular programme of verification fixed assets, certain assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of the inventories of the Company

In our opinion and according to the information and explanations given to us, the company's primary function is that of fund manager for implementation of the projects. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the Order is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.

7. 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 material dues of duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of income tax and service tax have not been deposited by the company on account of dispute:

Nature of the statute	Nature of dues	Amount INR	Period to which amount relates	Forum where dispute is pending
Service Tax	Service Tax and penalty	₹ 3,34,13,200/- <sup>(1)</sup> plus penalty interest of ₹1,20,28,752 approximately@ 9% int P.A	FY 2007 -08 to FY 2012-13	CESTAT, Bangalore
Income Tax Act, 1961	Income Tax	₹ 3,57,899/-	AY 2007-08	Commissioner of Income Tax (Appeals)-I, Bangalore

(1) The company has appealed against the amount disputed and not deposited.

- a. The Company have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Service Tax, and other material statutory dues applicable to it with the appropriate authorities.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Service Tax (subject to above) , and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank during the year and did not have any amount outstanding to financial institutions or debenture holders.
9. According to the information and explanations given to us, the company did not raise any money by way of initial public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. To the best of our knowledge and belief and according to the information, no fraud by the Company or on the Company was noticed or reported during the year.
11. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

12. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act.
14. 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.
15. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**For G.V.ACHARYA & Company**

Chartered Accountants

ICAI Firms Registration No: 00029S

Sd/-

**G. Vamanacharya**

Partner

Membership No: 009850

Bengaluru

Date: 29<sup>th</sup> Aug 2017



## Annexure – II

**Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts for the year 2016-17 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013**

- 1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) may be examined, including the mode and present stage of disinvestment process.**

There is no disinvestment proposed in the company.

- 2. To report whether there are any cases of waiver / write off of debts / loan interest etc, if yes, the reason thereof, and the amount involved.**

There are no cases of wavier / write off of debts/Loan interest.

- 3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.**

The Company does not maintain any Inventories and no assets are received as gifts from Government.

- 4. A report on age-wise analysis of pending legal / arbitration cases, including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given**

There are legal cases pending against the Company, by unsuccessful contractors having filed cases against IA's and Company is made a party to such cases. The decisions in the concluded cases pronounced so far, have been in favour of the Company. The Company has designated officers handling the legal cases. Details of legal cases and the dates of hearing with due dates and fees with approvals are maintained. The progress and status of cases are reviewed by the Board in its meetings. Details of cases pending are as in Annexure A.

- 5. Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation, not put to use or declared surplus? Details may be provided.**

According to the information and explanations given to us, there are no cases of encroachment. The Leasehold land held by the company which is leased from BDA is used for construction of Urban Infrastructure Bhavan for its official use w.e.f 01.03.2017 onwards.

**6. Whether system of monitoring the execution of works vis-à-vis the milestone stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/losses from contracts, etc., have been properly accounted for in the books.**

The Company is a Nodal Agency for the Centrally Sponsored Schemes and Externally Aided Projects. The projects are governed by respective scheme / donor bank guidelines. Government of Karnataka has appointed KUIDFCL as the Nodal Agency for these Schemes/Projects. The Implementing Agencies / ULBs are the agencies who tender out the works.

Tenders Floated have inbuilt mechanism for milestone based monitoring of implementation. The agreements also have variation clause. During implementation, based on the actual requirement, the variations are approved under the respective contracts. Cost escalations are recorded in the respective work/contract. However as per the Internal Inspection Report of the Company certain lapses are noticed and the Audit committee in it's Meeting held on 17.08.2017, it has instructed the Management for taking suitable action so as to comply with them early. Subject to the above there are no revenue/loses from contracts since the beneficiaries are ULBs / Government Agencies. The Government provides budgetary support for these schemes / projects and the revenue/loses are recorded in the Government Account with necessary approvals.

In respect of releases for Work Bills, RA bills are certified, before release of payments, by the Project Manager and Commissioner/Chief Officer of the respective ULB. The company makes payments for such RA bills through RTGS mode. The procedure presently being followed is satisfactory and adequate. This procedure is generally followed consistently.

The Company recovers Liquidated Damage from the contractors in cases of delay. We are informed that whenever LD is not levied, appropriate approval from competent authority is obtained. Advances paid as per the terms of the Contract, are adjusted against running bills.

**7. Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized? List the cases of deviations.**

The funds received/receivable for specific schemes from central/state agencies have been properly accounted. Separate books of accounts are maintained in respect of different Schemes / projects. Accounts are maintained using Tally Accounting Software.

However, there are instances where inter fund transfers were made and the same were made good to the respective accounts at a later date. All funds are received for scheme/projects from the Government. In case of delay in release of funds from the Government, temporary transfers of funds in the scheme/project is made and on

receipt of funds from the Government, the same were made good to the respective account.

The Company has not granted any large loans to any PSU, whether related or not related to the business of the company. However the company is a fund manager for Karnataka water & sanitation pooled fund (KW&SPF) (TRUST UNDER THE INDIAN TRUSTS ACT, 1882) (Government of Karnataka of Trust). The company provides operating fund (interest free) on need basis and no specific directive is obtained from the Government for the same. During the year an amount of Rs 3,00,00,000/- was provided to the Trust on temporary basis. However, amount receivable from the KW&SPF at the year end on this account is nil.

**8. Confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.**

Confirmation balances of Banks is available with the company. Cash confirmations (imprest account) are made available to audit. However utilization of funds is needed from the PIU office/ Centers in some cases relating to Advances receivable/payable. Given the fact that the company does not have any sales, it has no trade receivables/ trade payables on its own account. Most of the receivables/payables with respect to works contract are monitored through RA bill. The Loans to IA's / ULBs are accounted based on the Government Orders and demand notices are served to the periodically to the respective agencies which are Government Agencies. However the overdue are yet to be recovered in a few cases for BMTTC & KCDC in respect of loan given out of Megacity Revolving Fund. Mobilisation Advances under the contracts are against Bank Guarantee as per contract agreement terms under the respective project.

**9. The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.**

According to the information and explanations given to us, there are no abandoned projects. There are cases of termination of contract based on non performance of the contractors as per the terms of the contract. Necessary penalties and LD and recoveries are made in such contracts as per the terms of contract. These are the works awarded by the IA's / ULBs. There are no instances of written-off in these contracts.

**For G.V.Acharya & Company**

Chartered Accountants

ICAI Firms Registration No: 00029S

Sd/-

**G. Vamanacharya**

Partner

Membership No .009850

Bengaluru

Date :29<sup>th</sup> Aug 2017

## **Annexure – III to the Independent Auditor's Report**

### **Report on Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Karnataka Urban Infrastructure Development & Finance Corporation ('the Company') as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 timely preparation of reliable financial information, as required under Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial control over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For G.V.Acharya & Company**

Chartered Accountants

ICAI Firms Registration No: 00029S

Sd/-

**G. Vamanacharya**

Partner

Membership No .009850

Bengaluru

Date: 29<sup>th</sup> Aug 2017

## Annexure -A

Legal status pending of KUIDFCL as on 31/03/2017

Amount in ₹

Sl. No	Suit Number	In the Court of:-	Between	Claim
1	O.S.No. 202/2012	Principal Senior Civil Judge, Gulbarga	M/s. Coramandel Infrastructure (p) Ltd vs Commissioner, CMC, Gulbarga	
2	O.S. No. 88/2013	Principal Senior Civil Judge, Gulbarga	M/s. Coramandel Infrastructure (p) Ltd vs Commissioner, CMC, Gulbarga and ORS	9,02,60,917
3	M.A 9/2015		M/s Coromandel Infrastructure Pvt. Ltd. & ORS Vs Commissioner, City Corporation, Kalaburgi	
4	W.P. No. 202631/ 2014	High Court of Karnataka, Gulbarga Bench	M/s. Coramandel Infrastructure (p) Ltd vs DMA & ORS	
5	O.S. No. 130/2013	Civil Judge, Junior Div., Hungunda	M/s. Shyamaraju & Company (India) (p) Ltd. Vs KUIDFCL & ORS	
6	W.P. No. 82867/2013	High Court of Karnataka, Dharwad Bench	Shri Rajesh, S/o. Baburaj Patil, vs KUIDFCL & ORS	
7	W.P. No. 107542 /2014	High Court of Karnataka, Dharwad Bench	M/s. Eagle Infra India Ltd., Vs KUIDFCL & ORS	
8	O.S. No. 19/2015	Sr, Civil Judge, Hungund	M/s. Shyamaraju & Company (India) (p) Ltd. vs KUIDFCL & ORS	45,73,08,000
9	O.S. No. 58 & 59/2015	Principal Civil Judge (Jr), Vijayapura	A.P. Reddy, Ramky, Hyderabad vs KUIDFCL & ORS	
10	RFA 200014/2016	High Court of Karnataka, Kalaburgi Bench	M/s. Coromandel Infrastructure Pvt. Ltd. Vs KUIDFCL	
11	Misc. No. 18/2014	Principal Sr, Civil Judge, Gulbarga	Mrs. Parvathi W/o. Late Shri Ram Hanumanth & ORS Vs KUIDFCL & ORS	

12	W.P. No. 110269/2015		M/s Tapi Prestressed Products Ltd. Vs KUIDFCL & ORS	
13	O.S. No. 292/2016 & O.S. No. 11/2016	Court of Civil Judge and J.M.F.C, Chamaraja-nagar	Shri.C.R. Raju	
14	O.S. No. 95/2016	Senior Civil Judge and JMFC court, Hungunda	KUIDFCL vs M/s. Shyamaraju & Company (India) Ltd.	14,44,78,730
15	O.S. No. 3/2017	Court of II Addl. Judge, Raichur	Smt. Sharadamma.N.R, Shri.Babamma N.R & Shri.Venkatesh. N.R vs KUIDFCL	
16	O.S. No. 26420/07	City Civil Court, Mayo Hall Unit, Bangalore	M/s. Electrosteel Casting Ltd., Vs KUIDFCL & ORS	5,51,70,560
17	O. S. No. 4808/01 & Misc. No. 528/2011	City Civil Judge, Bangalorre	KUIDFCL Vs K. N. Rajan and ORS	
18	O.S. No. 5/2012	Principal Civil Judge, Sr Div, Karwar	M/s. Om Sai Electricals Vs KUIDFCL & ORS	33,05,776
19	Misc. Case No. 27/2016 on O.S. No. 144/2009	JMFC, Mangalore	KUIDFCL Vs Mr. Krishnegowda, s/o Late Chikknarasegowd	6,39,655
20	RA No. 88/2010	District Judge Court, Karwar	P.B. Ibrahim, Bhatkal vs KUIDFCL	
21	O.S. No. 880/08	II Additional Court,Mangalore	Shri Narayana Devadiga, Kunjattabailu, Mangalore	
22	O.S No.16/2012	Court of Pr. Sr. Civil Judge & A.C.J.M, Puttur, D.K.	KUIDFCL vs Shri T.K. Rajan	7,47,50,095
23	R.A. No. 86/13	V Addl. Dist. and Sessions Judge, D.K. Mangaluru, sitting at Puttur.	Shri S.M. Rafeeq vs KUIDFCL	1,00,000
24	W.P. No. 55090 -55093/ 2014 &W.A. No. 3551 - 3554 / 2014	High Court of Karnataka, Bengaluru	T.R. Harish, & Ors Vs KUIDFCL & Ors	
25	(PGA/SR-134 to 141/ 2014) & (PGA/SR- 82 & 83/ 2015, & 85 to 87/ 2015)	Controlling Authority under the Payment of Gratuity Act, 1972	Employees*** Vs KUIDFCL & ORS	

26	W.P. 33447/2015	High Court of Karnataka, Bengaluru	Shri Altaf Ahmed Vs KUIDFCL & ORS	
27	Application No. 7239/2015	Karnataka Administrative Tribunal	Shri HM Jayakumar Vs KUIDFCL & ORS	
			<b>TOTAL</b>	<b>82,60,13,733</b>

\*\* Suits which are filed for monetary award or value claimed

\*\*\* 13 different employees filling individual cases

**For G.V. Acharya & Company**

Chartered Accountants

ICAI Firms Registration No: 00029S

Sd/-

**G. Vamanacharya**

Partner - Membership No .009850

Bengaluru

Date:29<sup>th</sup>Aug 2017



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KARNATAKA URBAN INFRASTRUCTRE DEVELOPMENT & FINANCE CORPORATION LTD; BANGALORE FOR THE YEARENDED 31 MARCH 2017.**

The preparation of financial statements of **Karnataka Urban Infrastructure Development & Finance Corporation Ltd**, Bangalore for the year ended **31 March 2017** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Companies Act, 2013 are responsible for expressing opinion on these financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29.08.2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the act of the financial statements of **“Karnataka Urban Infrastructure Development & Finance Corporation Ltd, Bangalore”** for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

**For and on behalf of the  
Comptroller & Auditor General of India  
Yours faithfully,**

**Sd/-  
(E.P. NIVEDITA)  
ACCOUNTANT GENERAL  
(GENERAL AND SOCIAL SECTOR AUDIT)  
KARNATAKA BANGALORE**

Place : Bengaluru  
Date : 27th Sep 2017

## Balance Sheet as at 31st March 2017

PARTICULARS	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I EQUITY &amp; LIABILITIES</b>		₹	₹
<b>Shareholders' Funds</b>			
Share Capital	1	8,06,48,800	8,06,48,800
Reserves & Surplus	2	60,43,84,708	32,94,76,503
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	3	4,75,810	-
Other Long Term Liabilities	4	2717,27,68,220	2560,73,16,753
Long Term Provisions	5	35,06,865	30,98,723
<b>Current Liabilities</b>			
Other Current Liabilities	6	2537,50,29,709	2308,19,37,574
Short Term Provisions	7	-	3,05,848
<b>Total of Equity &amp; Liabilities</b>		<b>5323,68,14,112</b>	<b>4910,27,84,201</b>
<b>II ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	8	37,35,81,208	10,41,87,841
Intangible Assets	8	1,61,13,486	1,75,33,561
Capital Work-in-Progress	8	-	-
Deferred Tax Assets (Net)	9	-	18,25,803
Long-Term Loans and Advances	10	1411,92,99,245	1558,16,55,610
<b>Current Assets</b>			
Cash and Bank Balances	11	1766,43,06,038	1507,48,08,502
Short-Term Loans and Advances	12	1967,47,01,964	1697,02,21,281
Other Current Assets	13	138,88,12,171	135,25,51,603
<b>TOTAL OF ASSETS</b>		<b>5323,68,14,112</b>	<b>4910,27,84,201</b>
Notes on Financial Statements 1 to 32			

Notes referred above are an integral part of Standalone Financial Statements

Place: Bengaluru  
Date : 29th Aug 2017

As per our report of even date  
for **G.V. Acharya & Co.**  
Chartered Accountants  
FRN: 000029S

Sd/-  
(M D Krishna Murthy)  
Chairman

Sd/-  
(A B Ibrahim)  
Managing Director

Sd/-  
(G Vamanacharya)  
Partner M. No:009850

Sd/-  
(K M Ramesh)  
Gen. Manager- Project Finance

Sd/-  
(Karthik A)  
Company Secretary

**Statement of Profit and loss for the year ended 31st March 2017**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>Figures as at the end of current reporting period</b>	<b>Figures as at the end of previous reporting period</b>
<b>INCOME</b>		₹	₹
<b>I. Revenue from operations - Management Fee</b>	<b>14</b>	<b>7,10,64,766</b>	5,99,45,738
<b>II. Other income</b>	<b>15</b>	<b>61,90,576</b>	18,26,922
<b>III. Total Revenue (I + II)</b>		<b>7,72,55,342</b>	<b>6,17,72,660</b>
<b>IV. EXPENDITURE</b>			
Employee benefits expense	<b>16</b>	<b>3,41,22,827</b>	2,17,73,917
Finance costs		-	-
Depreciation and amortization expense	<b>8</b>	<b>77,68,390</b>	49,59,888
Other expenses	<b>17</b>	<b>3,53,64,125</b>	3,50,38,855
<b>Total expenses</b>		<b>7,72,55,342</b>	<b>6,17,72,660</b>
<b>V. Profit before tax (III- IV)</b>		-	-
<b>VI Tax expense:</b>			
(1) Current tax			3,05,848
(2) Deferred tax- Asset/(Liability)		<b>(19,05,975)</b>	3,05,848
<b>VII Profit (Loss) for the period (V-VI(1) + VI(2))</b>		<b>(19,05,975)</b>	-
<b>VIII Earnings per equity share:</b>			
(1) Basic			
(2) Diluted			
<b>Notes on Financial Statements</b>	<b>1 to 32</b>		

Notes referred above are an integral part of Standalone Financial Statements

Place : Bengaluru  
Date : 29<sup>th</sup> Aug 2017

As per our report of even date  
for **G.V. Acharya & Co.**  
Chartered Accountants  
FRN: 000029S

Sd/-  
**(M D Krishna Murthy)**  
Chairman

Sd/-  
**(A B Ibrahim)**  
Managing Director

Sd/-  
**(G Vamanacharya)**  
Partner M. No:009850

Sd/-  
**(K M Ramesh)**  
Gen. Manager- Project Finance

Sd/-  
**(Karthik A)**  
Company Secretary

## Cash Flow Statement for the year ended 31st March 2017

Amount in ₹

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>1.1 Asian Development Bank assisted North Karnataka Urban Sector Investment Programme (NKUSIP)</b>		
Project fund receipts - from GOK	375,00,00,000	330,00,00,000
Project fund receipts - CMSMTDP/SFC including interest earned	3,36,59,335	2,26,76,812
Encashment of BG	5,59,31,800	23,00,17,563
Funds from internal sources/ ULB contribution	4,98,90,000	52,83,77,758
Cash paid to Works, Consultants, Employees and other admin costs	(423,32,07,735)	(325,53,98,553)
<b>1.2 Asian Development Bank assisted Karnataka Urban Development and Coastal Environmental Management Project (KUDCEMP)</b>		
Project fund receipts - from GOK		
Funds from internal sources	31,091	51,21,881
Cash paid to Works, Consultants, Employees and other admin costs	(23,55,147)	(89,59,425)
<b>1.3 World Bank assisted Karnataka Municipal Reforms Project (KMRP)</b>		
Project fund receipts - from GOK	5,00,00,000	30,00,00,000
Funds from ULB Contribution & internal source	1,43,09,296	3,00,96,346
Cash paid to Works, Consultants, Employees and other admin costs	(30,68,21,406)	(106,43,51,728)
<b>1.4 World Bank assisted Karnataka Urban Water Sector Improvement Project (KUWASIP)</b>		
Project fund receipts - from GOK	—	—
ESCROW Receipts & Internal Resources	7,83,48,199	7,55,24,523
O&M and Technical auditor fees paid		(16,07,069)
Cash paid to Works, Consultants, Employees and other admin costs	(4,92,45,945)	(2,36,72,443)

Amount in ₹

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>1.5 Centrally sponsored Jawaharlal Nehru National Urban Renewal Mission (JnNURM)</b> Project fund receipts - from GOK & GOI Including interest Cash paid to Implementing Agencies / Works	301,54,55,514  (263,40,44,018)	132,41,27,454  (131,38,61,638)
<b>1.6 Asian Development Bank assisted Karnataka integrated Urban Water Management Investment programme (KIUWMIP)</b> Project fund receipts - from GOK Cash paid to Works, Consultants, Employees and other admin costs	69,37,07,280  (55,96,40,503)	37,50,00,000  (33,44,00,363)
<b>1.7 World Bank assisted Karnataka Urban Water Supply Modernisation Project (KUWSMP)</b> Project fund receipts - from GOK ULB contributions Cash paid to Works, Consultants, Employees and other admin costs	- 29,44,11,000  (1,86,62,508)	1,50,00,000 -  (2,74,68,013)
<b>1.8 Solid Waste Management Project (GOK)</b> Project fund receipts - from GOK Cash paid to Implementing Agencies / Works	-  (72,80,17,567)	180,00,00,000  (166,27,98,299)
<b>1.9 Smart Cities</b> Project fund receipts - from GOK Cash paid to Implementing Agencies / Works	788,92,96,666  (784,95,76,108)	12,00,00,000  (6,00,00,000)
<b>1.10 Corporate and others</b> Fund receipts - from GOK Receipts from internal resources Cash paid to administrative expenses & release of grant funds	6,50,00,000 61,90,576  (5,55,12,361)	6,00,00,000 46,10,590  (5,33,83,849)
<b>Net cash used in operating activities (1.1 to 1.10)</b>	<b>(44,08,52,541)</b>	<b>38,46,51,547</b>

Amount in ₹

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	8,37,382	(25,69,796)
Sale of Fixed Assets		
<b>Net cash used in investing activities</b>	<b>8,37,382</b>	<b>(25,69,796)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
a) Urban Infrastructure Development Fund (UIDF) Repayments received from Implementing Agencies & Interest on redeployment of funds Consultancy payments	146,49,77,422 (883)	44,38,96,110 (2,06,28,512)
b) Mega City Revolving Fund ( MCRF) Repayments received from Implementing Agencies & Interest on redeployment of funds Release of Loans (works) under MCRF	212,50,86,156 (56,05,50,000)	220,14,87,528 (425,71,80,000)
<b>Net cash flow from financing activities (a+b)</b>	<b>302,95,12,695</b>	<b>(163,24,24,874)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS ( A+B+C )</b>	<b>258,94,97,536</b>	<b>(125,03,43,123)</b>
Add : OPENING CASH AND CASH EQUIVALENTS	1507,48,08,502	1632,51,51,625
<b>CLOSING CASH AND CASH EQUIVALENTS *</b>	<b>1766,43,06,038</b>	<b>1507,48,08,502</b>
<b>* CASH AND CASH EQUIVALENTS COMPRISES</b>		
<b>FIXED DEPOSIT</b>	<b>1298,14,02,841</b>	1032,56,30,167
<b>PD ACCOUNT</b>	<b>160,99,82,966</b>	191,84,93,006
<b>CASH</b>	<b>18,921</b>	19,321
<b>BANK</b>	<b>307,29,01,310</b>	283,06,66,008
<b>TOTAL</b>	<b>1766,43,06,038</b>	<b>1507,48,08,502</b>

Place : Bengaluru  
Date : 29<sup>th</sup> Aug 2017

Sd/-  
(M D Krishna Murthy)  
Chairman

Sd/-  
(K M Ramesh)  
Gen. Manager- Project Finance

Sd/-  
(A B Ibrahim)  
Managing Director

Sd/-  
(Karthik A)  
Company Secretary

As per our report of even date  
for **G.V. Acharya & Co.**  
Chartered Accountants  
FRN: 000029S

Sd/-  
(G Vamanacharya)  
Partner M. No:009850

**Notes on Financial Statements for the year ended 31st March 2017**

PARTICULARS	Figures as at the end of current reporting period ₹	Figures as at the end of Previous reporting period ₹
Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/ disclosure.		
<b>1. SHARE CAPITAL</b>		
A. Authorised Capital: 10,00,000 Equity Share of ₹ 100/- each	<b>10,00,00,000</b>	10,00,00,000
B: Issued, Subscribed & Paid up Capital: 8,06,488 (8,06,488) Equity shares of ₹ 100/- each fully paid	<b>8,06,48,800</b>	8,06,48,800
<b>1.1 The details of Shareholders holding more than 5% share :</b>		
<b>Name of the Shareholder</b>	<b>No. of Shares % held</b>	<b>No. of Shares % held</b>
Governor of Karnataka	<b>6,06,476 75.20%</b>	6,06,476 75.20%
Chairman, BDA	<b>2,00,001 24.79%</b>	2,00,001 24.79%
<b>2 Reserves &amp; Surplus</b>		
<b>2.1 ADB assisted KUID Project Reserve:</b>		
Balance as per previous Balance Sheet	<b>29,49,816</b>	1,12,77,590
Less: Deletion of Fixed Assets	-	83,27,774
<b>Total 2.1</b>	<b>29,49,816</b>	<b>29,49,816</b>
<b>2.2 ADB assisted KUDCEM Project Reserve:</b>		
Balance as per previous Balance Sheet	<b>19,80,863</b>	81,92,401
Less: Deletion/Adjustment of Fixed Assets	-	62,11,538
<b>Total 2.2</b>	<b>19,80,863</b>	<b>19,80,863</b>
<b>2.3 ADB assisted NKUSI Project Reserve:</b>		
Balance as per previous Balance Sheet	<b>6,95,91,488</b>	6,88,91,801
Add: Grants Utilised towards Fixed Assets	<b>44,44,697</b>	11,32,872
Less: Deletion/Adjustment of Fixed Assets	<b>1,02,452</b>	4,33,185
<b>Total 2.3</b>	<b>7,39,33,733</b>	<b>6,95,91,488</b>
<b>2.4 World Bank assisted KUWASI Project Reserve:</b>		
Balance as per previous Balance Sheet	<b>29,45,678</b>	31,95,019
Add: Grants Utilised towards Fixed Assets	-	-
Less: Deletion/Adjustment of Fixed Assets	-	2,49,341
<b>Total 2.4</b>	<b>29,45,678</b>	<b>29,45,678</b>

## Notes on Financial Statements for the year ended 31st March 2017

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
<b>2.5 World Bank assisted KMR Project Reserve:</b>		
Balance as per previous Balance Sheet	64,53,351	60,35,744
Add: Grants Utilised towards Fixed Assets	1,58,489	4,17,607
Less: Deletion/Adjustment of Fixed Assets	-	-
<b>Total 2.5</b>	<b>66,11,840</b>	<b>64,53,351</b>
<b>2.6 World Bank assisted KUWSM Project Reserve:</b>		
Balance as per previous Balance Sheet	2,08,930	3,97,060
Add: Grants Utilised towards Fixed Assets	-	-
Less: Deletion/Adjustment of Fixed Assets	-	1,88,130
<b>Total 2.6</b>	<b>2,08,930</b>	<b>2,08,930</b>
<b>2.7 ADB assisted KIUWMI Project Reserve:</b>		
Balance as per previous Balance Sheet	7,63,103	1,33,813
Add: Grants Utilised towards Fixed Assets	15,01,307	6,29,290
<b>Total 2.7</b>	<b>22,64,410</b>	<b>7,63,103</b>
<b>2.8 Centrally assisted JNNURM Project Reserve:</b>		
Balance as per previous Balance Sheet	23,738	23,738
Add: Grants Utilised towards Fixed Assets	-	-
<b>Total 2.8</b>	<b>23,738</b>	<b>23,738</b>
<b>2.9 Water Supply &amp; UGD in 16 ULB's :</b>		
Balance as per previous Balance Sheet	42,657	42,657
Add: Grants Utilised towards Fixed Assets	-	-
Less: Deletion/Adjustment of Fixed Assets	-	-
<b>Total 2.9</b>	<b>42,657</b>	<b>42,657</b>
<b>2.10 Corporate</b>		
Balance as per previous Balance Sheet	-	-
Add: Grants Utilised towards Fixed Assets	26,89,06,164	-
Less: Deletion/Adjustment of Fixed Assets	-	-
<b>Total 2.10</b>	<b>26,89,06,164</b>	<b>-</b>
<b>Sub Total (2.1 to 2.10)</b>	<b>35,98,67,829</b>	<b>8,49,59,624</b>
<b>2.11 Special Reserve U/s 36 (I) (viii):</b>		
Balance as per previous Balance sheet	10,47,23,642	10,47,23,642
<b>Total 2.11</b>	<b>10,47,23,642</b>	<b>10,47,23,642</b>



**Notes on Financial Statements for the year ended 31st March 2017**

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
<b>2.12 General Reserve:</b>		
Balance as per previous Balance Sheet	13,97,93,237	13,97,93,237
<b>Total 2.12</b>	<b>13,97,93,237</b>	<b>13,97,93,237</b>
<b>TOTAL ( 2.1 to 2.12)</b>	<b>60,43,84,708</b>	<b>32,94,76,503</b>
<b>3 Deferred Tax Liability (Net)</b>		
Provision for Deferred Tax Asset		
- for the current year	(19,05,975)	-
- for earlier period	18,25,803	-
Less: Previous year Adjustment	3,95,638	-
<b>Total 3</b>	<b>4,75,810</b>	<b>-</b>
<b>4 Other Long Term Liabilities</b>		
<b>4.(a) Mega City Revolving Fund</b>		
Balance as per previous Balance Sheet	578,62,46,292	779,40,65,561
Add: MCRF -1 Recovery of Principal	131,73,71,223	116,71,09,128
MCRF -2 Recovery of Interest	35,72,08,881	38,00,11,574
MCRF -3 Interest on Redeployment Funds	45,05,06,052	70,22,40,029
	<b>791,13,32,448</b>	<b>1004,34,26,292</b>
Less 1. MCRF - Utilisation	53,41,50,000	425,71,80,000
2. Transfer to Consultancy & Professional Fees - Corpus	2,64,00,000	
<b>Total 4 (a)</b>	<b>735,07,82,448</b>	<b>578,62,46,292</b>
<b>4 (b) UIDF Revolving Fund</b>		
Balance as per previous Balance Sheet	436,79,69,571	391,15,22,005
Add: UIDF -1 Recovery of Principal	48,77,23,150	9,26,88,133
UIDF -2 Recovery of Interest	63,10,29,221	2,19,52,297
UIDF -3 Interest on Redeployment Funds/others	34,62,25,051	36,24,35,648
	<b>583,29,46,993</b>	<b>438,85,98,083</b>
Less: UIDF- Utilisation	833	2,06,28,512
<b>Total 4 (b)</b>	<b>583,29,46,110</b>	<b>436,79,69,571</b>
4. (c) Outstanding Principal Due to GOK-UIDF-RF	942,62,40,301	983,20,70,263
4. (d) Outstanding Principal Due to GOK-MCRF-RF	456,27,99,361	562,10,30,627
<b>TOTAL 4(a) to 4(d)</b>	<b>2717,27,68,220</b>	<b>2560,73,16,753</b>

## Notes on Financial Statements for the year ended 31st March 2017

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
<b>5 Long Term Provisions</b>		
Provision for Leave Salary	35,06,865	30,79,291
Provision for Gratuity	-	19,432
<b>TOTAL 5</b>	<b>35,06,865</b>	<b>30,98,723</b>
<b>6 Other Current Liabilities</b>		
6. (a) Payables		
Provision for Taxation		
- Earlier Years	-	8,40,353
Development of New Projects	55,33,189	55,33,189
National Urban Information System	26,000	26,000
GOK- Management Fee	1,03,93,500	2,14,58,266
Urban Life Index	5,00,000	5,00,000
Indian Heritage Cities Network	15,00,000	-
Consultancy & Professional fees		
- (Corpus out of MCRF)	5,35,29,805	2,81,19,805
Principal Due to GOK-MCRF-RF	175,65,47,077	148,19,17,983
Interest Due to GOK-MCRF-RF	5,73,19,682	1,05,55,443
Principal Due to GOK-UIDF-RF	910,69,30,105	782,01,09,087
Interest Due to GOK-UIDF-RF	828,12,11,594	743,91,78,534
Interest Due to Revolving Fund		
-(Fixed Deposits)	34,60,46,746	34,11,09,635
Other Payables *	86,92,57,969	79,76,25,539
<b>Total 6(a)</b>	<b>2048,87,95,667</b>	<b>1794,69,73,834</b>
* Includes Statutory dues, security deposits, Retention Money, Due to agencies and outstanding Expenses		
<b>6.(b) Govt. of Karnataka A/c - ADB assisted KUDCEM Project</b>		
Balance as per previous Balance Sheet	46,84,601	1,34,29,715
Add: Bank Interest from LAQ/DMA/ Consultants & Others	31,091	2,13,626
K B C W W Fund	270	685
	<b>47,15,962</b>	<b>1,36,44,026</b>
Less: Funds utilised for administration and Consultancy	56,976	13,87,451
Funds released as Grant to I.A's	6,29,100	15,61,530
Funds released as Loan to I.A's	20,70,900	60,10,444
	<b>27,56,976</b>	<b>89,59,425</b>
<b>Total 6(b)</b>	<b>19,58,986</b>	<b>46,84,601</b>

Note: (i) The Asian Development Bank (ADB) assisted KUDCEM Project was closed on 30.9.2009 with ADB and the project is completed

**Notes on Financial Statements for the year ended 31st March 2017**

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
<b>6. (c) Govt. of Karnataka A/c - ADB assisted NKUSI Project</b>		
Balance as per previous Balance Sheet	<b>154,10,54,449</b>	86,25,70,395
Add: Funds received from GoK during the year	<b>375,00,00,000</b>	330,00,00,000
Interest earned from BGs	<b>76,52,318</b>	-
Interest earned from CMSMTDP	<b>2,60,07,017</b>	3,59,78,265
ULB Contribution under the project	<b>28,10,32,280</b>	48,79,09,121
K B C W W Fund	<b>4,24,506</b>	3,08,662
Performance Bank Guarantee Encashed	<b>5,59,31,800</b>	23,00,17,563
	<b>566,21,02,370</b>	<b>491,67,84,006</b>
Less: Funds utilised for administration and Consultancy	<b>25,42,40,906</b>	32,29,78,631
Funds utilised to acquire Fixed Assets	<b>44,44,697</b>	11,32,872
Funds released as Grant to I.A.'s	<b>292,62,84,300</b>	208,66,32,130
Funds released as Loan to I.A.'s	<b>61,15,45,580</b>	66,97,00,896
ULB Contribution adjusted	<b>38,44,69,717</b>	29,52,85,028
CMSMTDP Adjusted	<b>3,36,49,067</b>	-
	<b>421,46,34,267</b>	<b>337,57,29,557</b>
<b>Total 6(c)</b>	<b>144,74,68,103</b>	<b>154,10,54,449</b>

**Notes:**

- (i) The company is the nodal agency for implementation, monitoring and management of funds of the Asian Development Bank (ADB) assisted NKUSI Programme. For the project, ADB has sanctioned US \$ 270.00 million as loan to Govt. of India which will be fully passed on to GOK based on project implementation as loan.
- (ii) The ADB financial support is extended through a Multitranches Financing Facility (MFF). This facility will be provided in tranches as individual loan to support batches of investments or sub projects/components. Each such facility will be based on the submission of a Periodical Financing Request (PFR).
- (iii) Under the Tranche-I loan, ADB share is US \$ 23.70 million and GOK & ULB contribution is US \$ 13.20 million; Tranche-II loan, ADB share is US \$ 123.00 million and GOK & ULB contribution is US \$ 87.30 million; Tranche-III loan, ADB share is US \$ 60 million and GOK & ULB contribution is US \$ 41.70 million and Under Tranche-IV loan, ADB share is US \$ 63.30 million and GOK & ULB contribution is US \$ 27.80 million.

## Notes on Financial Statements for the year ended 31st March 2017

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
(iv) Tranche-I loan is completed in respect of ADB portion, Cumulative achievement was US \$ 23.40 million, balance UGD Works shifted to Tranche-4. The other Tranches works are in progress.		
(v) Tranche-2, 3 and 4 of NKUSIP loan is physically completed in respect of ADB portion on 05-12-2016 and last date for submission of claims to ADB was on 05-04-2017, Cumulative achievement Tranche- 2 was US \$ 116.07 million, Tranche- 3 was US \$ 43.37 million and Tranche-4 was US \$ 42.56 million. Balance works are spill over beyond 05-12-2016 and is under progress with State Share.		
<b>6. (d) Govt. of Karnataka A/c - World Bank assisted KUWASI Project</b>		
Balance as per previous Balance Sheet	54,79,477	47,97,117
	54,79,477	47,97,117
Less: Funds utilised		
Incremental operating expenses	(8,85,636)	(6,82,360)
Funds released as Grant to I.A.'s	31,76,493	-
	22,90,857	(6,82,360)
<b>Total 6(d)</b>	<b>31,88,620</b>	<b>54,79,477</b>
Note:		
(i) The World Bank assisted KUWASI Project was a pilot project in the demo zones of 3 City Corporations & completed on 31.03.2011. Settlement of final bills on the spillover works are under progress.		
<b>6. (e) Govt. of Karnataka A/c - World Bank assisted KMR Project</b>		
Balance as per previous Balance Sheet	121,99,88,861	106,01,50,655
Add: Funds received from GoK during the year	5,00,00,000	30,00,00,000
ULB / JNNURM Contribution	2,16,13,576	6,44,39,231
Interest from DMA/DPD/ULB Funds	1,04,096	9,12,377
Forfeit of Bank Guarantee	-	38,57,988
Excess Grant earlier w/off Adjusted to GoK A/c.	-	36,99,03,224
	129,17,06,533	179,92,63,475
Less: Funds utilised		
Incremental operating expenses	3,45,00,742	3,38,78,471
Funds utilised to acquire Fixed Assets	1,58,489	4,17,607
Funds released as Grant to I.A.'s	27,37,37,566	37,04,86,559
Funds released as Loan to I.A.'s	3,56,76,200	9,34,95,969
ULB/JNNURM Contribution Adjusted	3,31,10,605	8,09,96,008
	37,71,83,602	57,92,74,614
<b>Total 6(e)</b>	<b>91,45,22,931</b>	<b>121,99,88,861</b>

**Notes on Financial Statements for the year ended 31st March 2017**

PARTICULARS	Figures as at the end of current reporting period ₹	Figures as at the end of previous reporting period ₹
Note:		
(I) The company is the nodal agency for implementation, monitoring and management of funds of the World Bank assisted Karnataka Municipal Reforms Project, (KMRP). Out of the total project cost, World Bank share as loan is US \$ 216 million and Government of Karnataka & ULB contribution is US \$ 94 million. The loan was closed on 31.03.2015 by the World Bank and US \$ 204.614 million has been disbursed by the bank as loan to Govt. of India which is fully passed on to GOK as loan. GoK & ULBs have contributed US \$ 89.045 million towards the project. The spillover works of the project are under progress funded by GoK as state share.		
<b>6. (f) Govt. of Karnataka A/c - GOI assisted JNNURM Project</b>		
Balance as per previous Balance Sheet	<b>23,41,97,734</b>	22,47,07,340
Add: Funds received from GoI during the year	<b>7,88,06,610</b>	98,68,16,000
Funds received from GoI/GOK during the year towards reimbursement	<b>3,15,06,000</b>	69,78,182
Funds received from GoK during the year	<b>289,44,99,000</b>	32,07,78,000
Interest earned/ (Paid) on JNNURM Funds	<b>1,06,43,904</b>	1,16,87,981
	<b>324,96,53,248</b>	<b>155,09,67,503</b>
Less: Funds released as Grant to I.A.'s	<b>231,44,74,050</b>	115,04,26,500
Funds released as Loan to I.A.'s	<b>29,45,05,950</b>	15,71,67,500
Funds released towards reimbursement	<b>3,15,06,000</b>	91,75,769
	<b>264,04,86,000</b>	<b>131,67,69,769</b>
<b>Total 6(f)</b>	<b>60,91,67,248</b>	<b>23,41,97,734</b>
Notes:		
(i) The Company is State Level Nodal Agency for managing funds and monitoring the implementation of GoI sponsored Jawaharlal Nehru Urban National Renewal Mission. As per G.O. No. UDD 75 CSS 2011 Dated 24.05.2011, Revolving Fund has been created for UIG and BSUP Components. The Revolving Fund under UIG is merged with the existing State level Urban Infrastructure Development Fund (UIDF). A separate Revolving Fund has been created under BSUP to receive funds ploughed back by ULBs/IAs. The structure of the Revolving Fund is as follows:		
(ii) Projects financed under Urban Infrastructure and Governance Sector to plough back 25% of the Central Govt releases.		
(iii) Projects under Transport Sector to plough back 50% of the GoI & GoK releases, the same has been revised to 35% of the GoI & GoK releases.		

## Notes on Financial Statements for the year ended 31st March 2017

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
(iv) Projects implemented under BSUP Sector to plough back 10% of the share of GoI releases.		
(v) The Plough back would be without interest and over a period of 10 years including a moratorium of 3 years from the date of release. This has been given effect in the books of accounts.		
(vi) The JNNURM Transition phase is ended on 31st March 2017 and the uncompleted works are under progress.		
<b>6. (g) Govt. of Karnataka A/c - ADB assisted KIUWMI Programme</b>		
Balance as per previous Balance Sheet	<b>15,17,18,764</b>	12,46,64,928
ADD: Funds received from GoK during the year	<b>50,00,00,000</b>	37,50,00,000
ULB Contribution under the project	<b>4,72,77,603</b>	2,78,48,152
K B C W W Fund	<b>58,260</b>	33,739
AMRUT	<b>18,82,20,000</b>	-
Interest on AMRUT Scheme	<b>4,87,280</b>	-
Additional fund from Davanagere	<b>50,00,000</b>	-
	<b>89,27,61,907</b>	<b>52,75,46,819</b>
LESS: Funds utilised for administration and Consultancy	<b>6,53,27,485</b>	6,70,84,786
Funds utilised to acquire Fixed Assets	<b>15,01,307</b>	6,29,290
Funds released as Grant to I.A.'s	<b>29,55,40,792</b>	18,74,13,221
Funds released as Loan to I.A.'s	<b>15,97,65,183</b>	9,28,52,606
Additional Fund utilised as Grant recd from Davanagere	<b>50,00,000</b>	-
ULB Contribution adjusted	<b>4,72,77,603</b>	2,78,48,152
	<b>57,44,12,370</b>	<b>37,58,28,055</b>
<b>Total 6(g)</b>	<b>31,83,49,537</b>	<b>15,17,18,764</b>

## Notes:

- (i) The company is the nodal agency for implementation, monitoring and management of funds of the Asian Development Bank (ADB) assisted KIUWMI Programme. For the project, ADB has sanctioned US \$ 150.00 million as loan to Govt. of India which will be fully passed on to GOK based on project implementation as loan.
- (ii) The ADB financial support is extended through a Multitranches Financing Facility (MFF). This facility will be provided in tranches as individual loan to support batches of investments or sub projects/components. Each such facility will be based on the submission of a Periodical Financing Request (PFR).



**Notes on Financial Statements for the year ended 31st March 2017**

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
(iii) Under the Tranche-I loan, ADB share is US \$ 75.00 million and GOK & ULB contribution is US \$ 29.52 million; The project also as UFPF grant Fund from ADB of US \$ 1.80 million.		
(iv) The project consultants for PMDC and FMDC have been appointed. The Civil works under Tranche 1 is under progress. The preparation of DPR for the 2nd Tranche works are in final stages.		
<b>6. (h) Govt. of Karnataka A/c - World Bank assisted KUWSM Project</b>		
Balance as per previous Balance Sheet	<b>9,38,69,326</b>	10,48,77,843
ADD: Funds received from GoK during the year ULB Contribution under the project	- <b>29,44,11,000</b>	1,50,00,000 -
	<b>38,82,80,326</b>	<b>11,98,77,843</b>
LESS: Funds utilised for administration and Consultancy	<b>68,71,259</b>	2,60,08,517
Funds utilised to acquire Fixed Assets	-	-
	<b>68,71,259</b>	<b>2,60,08,517</b>
<b>Total 6(h)</b>	<b>38,14,09,067</b>	<b>9,38,69,326</b>
Notes:		
(i) The company is the nodal agency for implementation, monitoring and management of funds of the World Bank (WB) assisted KUWSM Project. For the project, for Phase 1, WB has sanctioned US \$ 187.00 million as loan to Govt. of India which is fully passed on to GOK as loan.		
(ii) The WB financial support is provided in two phases. The project envisages scale up continuous water supplies in the cities of Belgaum, Gulbarga and Hubli Dharwad.		
(iii) Under the Phase-1, WB share is US \$ 187.00 million and GOK is US \$ 20.00 million. The ULB contribution for Phase -1 is US \$ 72.00 million and US \$ 118.00 million in Phase-II.		
(iv) The contract for O&M consultant at Hubballi and Dharwad was awarded and for Belgaum and Kalburgi are under progress.		
<b>6. (i) Govt. of Karnataka A/c - Solid Waste Management Project</b>		
Balance as per previous Balance Sheet	<b>182,35,60,716</b>	170,30,02,697
ADD: Funds received from GoK during the year	-	180,00,00,000
	<b>182,35,60,716</b>	<b>350,30,02,697</b>

## Notes on Financial Statements for the year ended 31st March 2017

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
LESS: Funds utilised for SWM Works	(1,63,47,203)	167,94,41,981
Funds transferred to BBMP as per GO	73,00,00,000	-
	71,36,52,797	167,94,41,981
<b>Total 6(i)</b>	<b>110,99,07,919</b>	<b>182,35,60,716</b>
Notes:		
(i) The company is the nodal agency for establishing 9 Solid Waste Management units in the Jurisdiction of BBMP areas for scientific processing of Solid Waste generated in the Corporation Limits.		
(ii) The Government has made a provision of ₹ 270 crores for this purpose for F.Y 2014-15 with an arrangement to release ₹150 crores directly to KUIDFCL and balance ₹120 crores to be released from BBMP, out of ₹150 crores sanctioned to BBMP by the government for F.Y 2014-15. GOK has made additional provision of ₹ 271 crores during 2015-2016.		
(iii) The procurement of Equipments & Machineries to the identified SWM treatment plants are completed and civil works was awarded to KRIDL and is in progress.		
<b>6. (j) Govt. of Karnataka A/c - GoI assisted SCM Project</b>		
Balance as per previous Balance Sheet	6,04,09,812	-
ADD: Funds received from GoI during the year for SCP/SPV Preparation	-	12,00,00,000
Funds received from GoI during the year	388,00,00,000	-
Funds received from GoK during the year	400,00,00,000	-
Interest earned/(Paid) on SCM Funds	92,96,666	4,09,812
	794,97,06,478	12,04,09,812
Less: Funds released as grant to IA's for SCP/SPV preparation	6,00,00,000	6,00,00,000
Funds released twds GoI share for Project Fund	388,00,00,000	-
Funds released twds GoK share for Project Fund	390,85,35,280	-
Funds released A & OE -KUIDFCL	9,09,567	-
	784,94,44,847	6,00,00,000
<b>Total 6(j)</b>	<b>10,02,61,631</b>	<b>6,04,09,812</b>
Note		
(I) Government of India (GoI) has launched the Smart Cities Mission (SCM) across 100 cities and in Karnataka KUIDFCL has been nominated as the Nodal Agency for the mission by		



## Notes on Financial Statements for the year ended 31st March 2017

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
Government of Karnataka. Six cities viz., Belagavi, Hubballi Dharwad, Davanagere, Shivamogga, Mangaluru and Tumakuru are approved under the mission, of which Belagavi and Davanagere are selected in the first round of competition, Hubballi Dharwad, Shivamogga, Mangaluru, Tumakuru are selected in the second Round.		
(ii) Formation of Special Purpose Vehicle (SPV) in Belagavi, Davanagere, Hubballi - Dharwad, Tumkur, Shivamogga and Mangaluru under Companies Act 2013 is completed as per mission guidelines.		
<b>TOTAL 6(a) to 6(j)</b>	<b>2537,50,29,709</b>	<b>2308,19,37,574</b>
<b>7. Short term provisions</b>		
<b>Provisions for taxation</b>		
- Current Year	-	3,05,848
<b>TOTAL 7</b>	<b>-</b>	<b>3,05,848</b>

**Fixed Asset and Depreciation**

Note No 8: Disclosure pursuant to Schedule II to the Companies Act, 2013

Particulars	GROSS BLOCK					DEPRECIATION			NETBLOCK	
	As at 01/04/2016	Additions during the Year	Deletions/Adj during the Year	As at 31/03/2017	As at 01/04/2016	For the year	Withdrawn during the year	As at 31/03/2017	As at 31/03/2016	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	
(i) Tangible assets										
A) CORPORATE ASSETS										
1. Building	1,01,84,212	16,48,49,731	-	17,50,33,943	61,08,133	8,78,833	-	69,86,966	40,76,079	
2. Lease Hold Land	4,22,32,508	-	-	4,22,32,508	1,65,99,880	14,07,750	-	1,80,07,630	2,56,32,628	
3. Office Equipments	33,36,237	1,68,57,962	15,858	2,01,78,341	24,19,793	10,13,972	11,953	34,21,812	9,16,444	
4. Furniture & Fixtures	23,67,997	8,73,67,804	-	8,97,35,801	19,39,310	20,08,728	-	39,48,038	4,28,687	
5. Computers & Printers	1,76,05,800	6,68,049	-	1,82,73,849	1,66,76,554	4,40,786	-	1,71,17,340	9,29,246	
6. Vehicles	68,15,886	-	-	68,15,886	45,53,215	5,98,246	-	51,51,461	22,62,671	
Sub-total (A)	8,25,42,640	26,97,43,546	15,858	35,22,70,328	4,82,96,885	63,48,315	11,953	5,46,33,247	3,42,45,755	
B) KUID PROJECT ASSETS:										
1. Office Equipments	12,07,514	-	-	12,07,514	-	-	-	-	12,07,514	
2. Furniture & Fixtures	17,10,002	-	-	17,10,002	-	-	-	-	17,10,002	
3. Computers & Printers	32,300	-	-	32,300	-	-	-	-	32,300	
Sub-total (B)	29,49,816	-	-	29,49,816	-	-	-	-	29,49,816	
C) KUDCEM PROJECT ASSETS:										
1. Office Equipments	7,24,673	-	-	7,24,673	-	-	-	-	7,24,673	
3. Furniture & Fixtures	3,13,174	-	-	3,13,174	-	-	-	-	3,13,174	
4. Computers & Printers	9,43,016	-	-	9,43,016	-	-	-	-	9,43,016	
Sub-total (C)	19,80,863	-	-	19,80,863	-	-	-	-	19,80,863	
D) NKUSI PROJECT ASSETS:										
1. Office Equipments	52,60,739	44,35,766	1,02,452	95,94,053	-	-	-	-	52,60,739	
2. Plant & Machinery	5,64,421	-	-	5,64,421	-	-	-	-	5,64,421	
3. Furniture & Fixtures	3,06,68,006	-	-	3,06,68,006	-	-	-	-	3,06,68,006	
4. Computers & Printers	1,08,81,342	8,931	-	1,08,90,273	-	-	-	-	1,08,81,342	
5. Vehicles	93,60,639	-	-	93,60,639	-	-	-	-	93,60,639	
Sub-total (D)	5,67,35,147	44,44,697	1,02,452	6,10,77,392	-	-	-	-	5,67,35,147	
E) KMR PROJECT ASSETS:										
1. Office Equipments	1,82,567	-	-	1,82,567	-	-	-	-	1,82,567	
2. Furniture & Fixtures	5,01,113	96,982	-	5,98,095	-	-	-	-	5,01,113	
3. Computers & Printers	36,08,474	61,507	-	36,69,981	-	-	-	-	36,08,474	
Sub-total (E)	42,92,154	1,58,489	-	44,50,643	-	-	-	-	42,92,154	

Note No. 8: Disclosure pursuant to Schedule II to the Companies Act, 2013

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2016	Additions during the Year	Deletions/Adj during the Year	As at 31/03/2017	As at 01/04/2016	For the year	Withdrawn during the year	As at 31/03/2017	As at 31/03/2016	
(i) Tangible assets										
F) KUWASI PROJECT ASSETS:										
1. Office Equipments	2,17,704	-	-	2,17,704	-	-	-	2,17,704	2,17,704	
2. Furniture & Fixtures	2,28,693	-	-	2,28,693	-	-	-	2,28,693	2,28,693	
3. Computers & Printers	24,99,281	-	-	24,99,281	-	-	-	24,99,281	24,99,281	
Sub-total (F)	29,45,678	-	-	29,45,678	-	-	-	29,45,678	29,45,678	
G) KUWSM PROJECT ASSETS:										
1. Office Equipments	-	-	-	-	-	-	-	-	-	
2. Furniture & Fixtures	25,259	-	-	25,259	-	-	-	25,259	25,259	
3. Computers & Printers	1,83,671	-	-	1,83,671	-	-	-	1,83,671	1,83,671	
Sub-total (G)	2,08,930	-	-	2,08,930	-	-	-	2,08,930	2,08,930	
H) KIUWMP PROJECT ASSETS:										
1. Office Equipments	34,867	76,268	-	1,11,135	-	-	-	1,11,135	34,867	
2. Furniture & Fixtures	4,72,785	7,90,965	-	12,63,750	-	-	-	12,63,750	4,72,785	
3. Computers & Printers	2,55,451	6,34,074	-	8,89,525	-	-	-	8,89,525	2,55,451	
Sub-total (H)	7,63,103	15,01,307	-	22,64,410	-	-	-	22,64,410	7,63,103	
I) JNNURM PROJECT ASSETS:										
1. Computers & Printers	23,738	-	-	23,738	-	-	-	23,738	23,738	
Sub-total (I)	23,738	-	-	23,738	-	-	-	23,738	23,738	
J) 9 TOWNS PROJECT ASSETS:										
1. Computers & Printers	42,657	-	-	42,657	-	-	-	42,657	42,657	
Sub-total (J)	42,657	-	-	42,657	-	-	-	42,657	42,657	
Total (A+B+C+D+E+F+G+H+I+J)	15,24,84,726	27,58,48,039	1,18,310	42,82,14,455	4,82,96,885	63,48,315	11,953	37,35,81,208	10,41,87,841	
PREVIOUS YEAR	16,72,69,299	39,35,766	1,87,20,339	15,24,84,726	4,85,84,966	30,64,479	33,52,560	10,41,87,841	11,86,84,333	
(ii) Intangible assets										
Software - Corporate	60,29,084	-	-	60,29,084	35,13,061	14,20,075	-	10,95,948	25,16,023	
Software- NKUSIP	1,28,56,341	-	-	1,28,56,341	-	-	-	1,28,56,341	1,28,56,341	
Software- KMRP	21,61,197	-	-	21,61,197	-	-	-	21,61,197	21,61,197	
Sub-total (K)	2,10,46,622	-	-	2,10,46,622	35,13,061	14,20,075	-	1,61,13,486	1,75,33,561	
PREVIOUS YEAR	1,63,82,681	46,31,830	15,38,515	2,10,46,622	8,54,289	18,95,409	7,63,363	1,75,33,561	1,55,28,392	
iii) Capital Work in Progress										
Corporate	-	-	-	-	-	-	-	-	-	
Sub-total (L)	-	-	-	-	-	-	-	-	-	
PREVIOUS YEAR	23,46,884	-	23,46,884	-	-	-	-	-	-	

## Notes on Financial Statements for the year ended 31st March 2017

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
<b>9. Deferred Tax Assets (Net)</b>		
Provision for Deferred Tax Asset		
- for the current year * (Note No-25)	-	3,05,848
- for earlier period	-	15,19,955
<b>Total 9</b>	<b>-</b>	<b>18,25,803</b>
<b>10. Long-term loans and advances (Unsecured and Considered Good)</b>		
Outstanding Megacity Project Loans Due from IA's	456,27,99,361	562,10,30,627
Outstanding KUID Project Loan Due from IA's	49,95,98,419	67,15,85,752
Outstanding KUDCEM Project Loan Due from IA's	294,53,05,989	331,16,05,430
Outstanding NKUSI Project Loan Due from IA's	366,43,60,601	281,67,38,624
Outstanding KIUWMI Project Loan Due from IA's	33,37,93,533	15,67,91,175
Outstanding KMR Project Loan Due from IA's	84,84,46,469	88,20,16,793
Outstanding JNNURM Project Loan Due from IA's	113,47,35,290	199,33,32,489
Rent Advance	10,460,132	98,38,875
Other Deposits	65,49,047	54,65,441
TDS receivable from Income Tax	11,32,50,404	11,32,50,404
<b>Total 10</b>	<b>1411,92,99,245</b>	<b>1558,16,55,610</b>
<b>11. Cash and Bank/Treasury Balances</b>		
Balances with Banks	307,29,01,310	283,06,66,008
Cash on Hand	18,921	19,321
<b>Fixed Deposits with Banks *</b>		
UIDF Revolving Fund	558,31,10,865	428,11,66,953
BG- Encashment	11,25,96,353	-
CMSMTDP Fund	41,16,00,341	48,45,22,162
JNNURM Fund	7,56,02,506	11,28,40,604
Megacity	679,78,41,435	544,64,99,919
Corporate	54,727	50,000
JNNURM UDD Fund	5,96,614	5,50,529
Balances with PD account with State Government	160,99,82,966	191,84,93,006
<b>Total 11</b>	<b>1766,43,06,038</b>	<b>1507,48,08,502</b>

\* All Fixed Deposits with banks are having maturity period of 12 Months or 1 year

**Notes on Financial Statements for the year ended 31st March 2017**

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
<b>12 Short-Term Loans and Advances (Unsecured and Considered Good)</b>		
Advance to Staff	15,77,535	3,70,791
Prepaid Expenses	2,77,352	1,17,369
Advance to Consultants	1,90,002	5,67,601
Other Receivable	47,06,05,960	21,73,61,816
Govt. of Karnataka A/c - Implementation of Water Supply & UGD in 9 ULB's *	42,657	42,657
<b>Current Dues</b>		
KUDCEM Project Loan Due from IA's	782,31,15,735	659,46,97,930
KUIDP Project Loan Due from IA's	546,73,34,425	487,53,70,483
KMR Project Loan Due from IA's	10,45,98,359	87,49,88,269
Megacity Project Loans	181,38,66,759	149,24,73,426
JNNURM Project Loan Due from IA's	399,30,93,180	291,42,30,939
<b>Total 12</b>	<b>1967,47,01,964</b>	<b>1697,02,21,281</b>
(*) Govt. of Karnataka A/c - Implementation of Water Supply & UGD in 9 ULB's		
Balance as per previous Balance Sheet	42,657	1,68,35,591
ADD: Funds received from GoK during the year	-	-
	<b>42,657</b>	<b>1,68,35,591</b>
LESS: Funds utilised for administration	-	1,67,92,934
Expenditure Transferred to Other Projects	-	1,67,92,934
<b>Total</b>	<b>42,657</b>	<b>42,657</b>
<b>Notes:</b>		
(i) The company is the nodal agency for monitoring and management of funds of the implementation of Water Supply and UGD in 16 ULB's at a total cost of ₹ 205.87 Crores vide Government order No.UDD 14 PRJ 2012, Dated 20-11-2012.		
(ii) The Funding Pattern is 50% Loan from Domestic Market Borrowings and 50% GoK Grant, which will be done through KWSPF Trust.		
(iii) Government has now withdrawn Government order No.UDD 14 PRJ 2012, Dated 20-11-2012, and has given revised approval for the implementation Water Supply Scheme in 9 towns at an estimated cost of ₹ 205.87 crores vide GO No. UDD 14 PRJ 2012 Bangalore, dated 06-04-2017		

## Notes on Financial Statements for the year ended 31st March 2017

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
<b>13 Other Current Assets</b>		
Interest receivable on Fixed Deposit- JNNURM	57,90,110	44,88,740
Interest receivable on Fixed Deposit- KUDCEMP	13,32,376	15,79,253
Interest receivable on Fixed Deposit -KUIDP	14,25,53,410	15,21,61,476
Interest receivable on Fixed Deposit- Megacity	16,17,50,455	15,05,97,011
Interest receivable on Fixed Deposit- Others	2,842	4,078
Interest receivable on Fixed Deposit-NKUSIP	55,70,708	1,19,80,552
Interest receivable on Flexi Deposit- Corporate	1,56,555	1,43,679
Interest receivable on Flexi Deposit-KMRP	1,04,72,250	20,97,030
Interest receivable on Flexi Deposit-KUWASIP	16,53,375	24,40,364
Interest receivable on Flexi Deposit-KUWSMP	73,48,530	3,28,795
Interest receivable on Flexi Deposit-NKUSIP	40,211	5,68,655
Interest receivable on Escrow A/c -NKUSIP	1,68,860	-
Interest receivable on Flexi Deposit-KIUWMIP	4,38,552	-
Interest receivable on Flexi Deposit- SCM	-	4,09,812
Other Advances	43,72,52,013	38,95,40,997
Tax Deducted at Source on Deposits	61,31,26,512	63,62,11,161
IT refundable	11,55,412	-
<b>Total 13</b>	<b>138,88,12,171</b>	<b>135,25,51,603</b>
<b>14 Revenue from operations</b>		
- Management Fee	7,10,64,766	5,99,45,738
<b>Total 14</b>	<b>7,10,64,766</b>	<b>5,99,45,738</b>
<p>In accordance with the accounting policy relating to revenue recognition followed by the Company, the Management fee is recognized as income to the extent of administrative expenses during current financial year. The total administrative expenditure for the current year is ₹772.55 Lakhs (₹617.73 Lakhs) and the same is met through Management Fees of ₹710.65 Lakhs (₹599.46 Lakhs) and Other income of ₹61.90 Lakhs (₹18.27 Lakhs).</p>		
<b>15. Other income</b>		
Documentation Charges	4,00,000	4,00,000
Interest from Bank Deposit & Others	6,45,828	5,85,992
Miscellaneous Receipts	19,09,709	5,62,573
Reimbursement - JNNURM	25,84,000	-
Rent KHB Flat	6,46,896	2,52,680
Sale of Scrap & Others	4,143	25,677
<b>Total 15</b>	<b>61,90,576</b>	<b>18,26,922</b>

**Notes on Financial Statements for the year ended 31st March 2017**

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
<b>16. Employee benefits expense</b>		
Salaries and wages	<b>3,11,42,842</b>	1,95,50,220
Contribution to Provident and other funds	<b>21,00,235</b>	14,96,935
Staff welfare expenses	<b>8,79,750</b>	7,26,762
<b>Total 16</b>	<b>3,41,22,827</b>	<b>2,17,73,917</b>
<b>17. Other expenses</b>		
Audit Fees		
- For Internal Audit	<b>7,18,966</b>	7,16,336
- For Statutory Audit	<b>1,15,675</b>	1,22,250
- For Tax Audit	<b>40,250</b>	40,075
Consultancy Charges	-	8,22,362
Computer Consumables	<b>3,21,666</b>	3,92,553
Conveyance	<b>13,44,609</b>	14,57,935
Electricity/Water Charges	<b>35,56,705</b>	2,51,835
Entertainment Expenses	<b>1,83,443</b>	2,50,454
Equipment Maintenance	<b>40,04,504</b>	35,23,986
Exhibition Charges	-	13,39,280
Flat- Maintenance	<b>1,35,612</b>	1,13,028
Gift & Souvenir	<b>76,000</b>	2,72,293
Insurance	<b>1,56,674</b>	2,00,008
Internet Charges	<b>2,95,919</b>	7,31,726
Loss on Sale of Assets	-	6,05,893
Medical Expenses	<b>6,09,548</b>	3,08,433
Meeting Expenses	<b>3,46,617</b>	6,91,678
Membership Fees	<b>1,11,500</b>	5,86,500
News papers & periodicals	<b>3,76,191</b>	2,06,653
Office Maintenance	<b>42,45,826</b>	44,09,793
Out of Pocket- Internal & Statutory	<b>3,45,009</b>	18,861
Professional Charges	<b>1,95,974</b>	1,97,237
Postage & Courier	<b>2,53,442</b>	2,36,113
Printing & Stationery	<b>8,71,652</b>	8,65,740
Property Tax - UIB	<b>12,12,609</b>	-
Rent CSI	-	33,65,014
Security Charges	<b>35,29,108</b>	18,90,726
Service charges DEO/ENG & Others	<b>42,21,357</b>	53,20,929
Tender Notification/ Advertisement	<b>16,16,902</b>	3,33,038

## Notes on Financial Statements for the year ended 31st March 2017

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	₹	₹
Taxi hiring Charges	16,97,259	15,96,790
Telephone/Fax & Mobile	8,51,716	9,16,861
Training Expenses	25,900	2,90,173
Travelling Expenses - Others	2,89,613	3,30,715
Travelling Expenses - MD	1,92,717	48,464
Travelling Expenses - Chairman	3,10,455	-
Vehicle Diesel & Petrol	23,43,646	18,67,627
Vehicle Repair & Maintenance	5,05,538	3,50,393
Workshop Expenses	81,200	1,27,720
Miscellaneous Expenses	1,80,323	2,39,383
<b>Total 17</b>	<b>3,53,64,125</b>	<b>3,50,38,855</b>



Figures in brackets represent figures for the previous year. All figures are rounded off to the nearest rupee. Previous year figures have been regrouped/ rearranged wherever considered necessary to conform to the current year's classification.

### Additional Notes:

18. KUIDFCL is appointed as a state level nodal agency under the JNNURM scheme of Government of India. As per the scheme guidelines a Project Monitoring Unit (PMU), Independent Review and Monitoring Agency (IRMA) and Third Parthy Inspection & Monitoring Agency (TPIMA) is appointed to provide support to KUIDFCL. The expenses incurred on PMU, IRMA and TPIMA is eligible for reimbursement from MoUD, Government of India. The amount reimbursed is accounted in the year of receipt and expenditure is booked during the year of incurring the expenditure. An amount of ₹ Nil Lakhs (₹ 7.35 Lakhs) has been incurred during the year. During the year an amount of ₹ 25.84 Lakhs (₹ Nil) is reimbursed by Government of India. The balance expenditure pending reimbursable is ₹ 179.34 Lakhs (₹ 205.18 Lakhs).

Government vide order No. UDD 75 CSS 2011 Bangalore Dated 24.5.2011 approved creation of Revolving Fund under JNNURM Scheme for Urban Infrastructure and Governance (UIG) and Basic Services to Urban Poor (BSUP) component separately out of the repayment of loan component.

19. KUIDFCL is appointed as Fund Manager by Karnataka Water and Sanitation Pooled Fund Trust. The Phase - 1 & 2 of Chief Ministers Small & Medium Towns Development Programme (CMSMTDP) covers 211 ULBs and phase - 2 & 3 of Nagarothana for 7 city Corporations and 10 city Corporations respectively. KWSPF Trust has availed ₹ 1065.60 crore loan against the sanctioned Term Loan of ₹ 1450 crore from Banks and released to DMA during the previous years.

During the Financial Year - KWSPF Trust has raised total ₹ 550 crore Term Loan from Banks (₹ 350 crore from Indian Bank (₹ 125 crores) Vijaya Bank (₹ 125 crores) and YES Bank (₹ 100 crores) for the CMSMTDP phase - 2 - 211 ULBs and ₹ 200 crore from SBI for Nagarothana - Phase 3 - 10 city Corporations).

KWSPF Trust has availed ₹ 245.75 crore loan from Banks and released to DMA Under CMSMTDP - 2 and has availed ₹ 137.05 crore loan from Banks and released to DMA Under Nagarothana - 2.

20. The Department of company affairs vide Notification No. S.O.1355 (E) Dt 10.6.2011, notified KUIDFCL as Public Financial Institution (PFI) under sub - section (2) of section 4A of Companies Act'1956 so repealed under section 465 of Companies Act'2013.
21. Interest is calculated on the loan component of project releases as per Govt. orders subject to applicable moratorium on all projects handled by the Company. The interest receivable is credited to GoK and debited to the respective Implementing Agencies.

22. The total Principal and Interest over dues to GOK by the IA's and Urban Local Bodies as on 31.3.2017 in Centrally sponsored Megacity scheme was ₹ 13.32 crores (₹ 2.66 crores), Centrally Sponsored JNNURM Scheme was ₹ 260.55 crores (₹ 177.83 crores), ADB assisted KUID Project was ₹ 513.71 crores (₹ 455.48 crores) and ADB assisted KUDCEM Project was ₹ 712.26 crores (₹ 587.86 crores), World Bank assisted KMR Project was ₹ 2.30 crores (₹ 75.44 crores).
23. Income Tax Assessments up to Assessment year 2015-16 (F.Y 2014-15) have been completed. Income Tax Department has to revise some of the previous year's Assessment for refund of TDS as per the decision of Hon'ble supreme Court upholding the company's contention that the company is the trustee of Government Funds. The total TDS receivable of previous years assessment from Income Tax Department upto end of 31.3.2017 is ₹ 51.19 crores. Assessment for FY 2016-17 (A.Y 2017-18) is yet to be completed.
24. The Company makes necessary adjustments in respect of provision for Income on the basis of Assessment Order passed u/s 143(3) of the IT Act for the relevant Assessment Years.

The TDS amounts receivable from Income Tax Department in respect of assessment completed is as detailed below:

₹ In Crores

SI No	A.Y	Amount
1	2015-16	0.06
2	2014-15	11.11
3	2013-14	9.07
4	Prior to 2012-13	30.95
	<b>Total</b>	<b>51.19</b>

The interest on Income Tax refund is accounted on the actual receipt basis, however as at the end of 31.3.2017 estimated interest amount to be receivable from Income Tax Dept, in respect of completed assessment years would be around ₹ 5.35 Crores.

25. Deferred Tax liability provision (₹19,05,975/-) (₹ 3,05,848/- Asset) has been made for the year 2016-2017.

Particulars	Current Year	Previous Year
<b>Deferred Tax Asset</b>		
Leave Salary Provision	<b>2,39,553</b>	2,26,665
Gratuity Provision	-	8,070
Loss on Sale of Asset	-	6,05,893
Depreciation (Asset)	-	1,49,171
<b>Total</b>	<b>2,39,553</b>	<b>9,89,799</b>
Deferred Tax Liability:	64,07,756	
<b>Total</b>	<b>64,07,756</b>	<b>-</b>
Net Deferred Asset/(Liability)	<b>(61,68,203)</b>	<b>9,89,799</b>
Deferred Tax Asset/(Liability)	<b>(19,05,975)</b>	<b>3,05,848</b>

The Deferred Tax provision has been calculated @ 30.90 % (P.Y 30.90%).

26. External Aid Projects Certificate Audit Fees to Statutory Auditor

Particulars	Current Year	Previous Year
For Certification Audit	<b>47,500</b>	<b>47,500</b>
Service Tax	<b>7,125</b>	<b>6,888</b>

27. Urban Infrastructure Bhavan constructed under the NKUSI Project is completed and certified by the project team. The Value of the building is ₹ 26,89,06,164/-, the same is capitalized and affected in the books of Accounts in the Current year. Depreciation as per Companies Act 2013, is provided in the Books.

The grants received has been adjusted in the respective Financial year under the Project and incorporated in Corporate Accounts and considered against the Capital Reserve.

The lease hold land necessary treatment will be considered as at the end of Lease hold period.

28. There was no direct inflow of foreign currency during the year. However, during the year Govt. of India has received in respect of NKUSI Project under Loan No. 2312-IND a sum of US\$ Nil (US\$ Nil), Loan No. 2638-IND a sum of US\$ 36,949,427 (US\$ 8,910,286), under Loan No. 2882- IND a sum of US\$ 16,127,440 (US\$ 9,257,688) and under Loan No. 3088- IND a sum of US\$ 14,528,101 (US\$ 21,663,529) in respect of KIUWMI Project under Loan No. 3148- IND a sum of US\$ 5,085,752 (US\$ 4,437,870), from Asian Development Bank. Under the World Bank assisted KMRP, Govt of India has received a sum of US\$ Nil (US\$ 19,641,035.50)

(Source: Asian Development Bank -Loan Financial Information Services (LFIS) and World Bank-Client connection)

29. As on March 31, 2017, the Company has no outstanding dues to Units covered by Micro, Small and Medium Industries Development Act, 2006.
30. Advances under project including EAP are released as per contractual terms against BG and adjustments are made in the running bill/monthly bills for contractor/consultants/ NGO's. Advances given to IAs are adjusted against utilization certificates furnished as per the funding agencies guidelines.

**31. Contingent Liabilities :**

- (a) Claims against the company not acknowledged as debts in respect of Civil works contract in KUDCEM Project for ₹ 5.84 Crores (₹ 5.84 Crores).
- (b) Claims against the company not acknowledged as debts in respect of Liquidated Damages deducted in respect of Civil works contract in KUDCEM Project for ₹ 0.11 Crores (₹ 0.19 Crores) the matter is under litigation.
- (c) Disputed claims against the company for Service Tax not acknowledged as debt is ₹ 3.34 Crores (₹ 3.34 Crores). The CESTAT, South zonal Bench, Bangalore has granted stay in favour of Company vide its order Dt 13.11.2014.

**32. SIGNIFICANT ACCOUNTING POLICIES:**

**32.1 General :**

- i. The Financial Statements are prepared under the historical cost convention on an accrual basis and in accordance with the mandatory accounting standards as prescribed under section 133 of Companies Act'2013 read with Rule 7 of the Companies (Accounts) Rules,2014 (to the extent notified).
- ii. All items of Income and expenditure having a material bearing on the Company's Financial Statements are recognized on accrual basis except as stated otherwise.
- iii. Use of Estimates: The preparation of financial statements in conformity with the Principles in India requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of Assets, Liabilities, Income, Expenses and disclosures of contingent liability on the date of financial statements. Actual results could defer from those estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognized prospectively in Current and future Period.

**32.2 Treatment of grants :**

- i. The Company receives project specific grants both under externally aided projects and centrally sponsored schemes. To the extent grants are utilised for acquisition of fixed assets, equivalent amount is transferred from project grant account to capital reserve.
- ii. To the extent grants are utilised for release as loan to the Implementing Agencies, equivalent amount is transferred from Project grant account `due to' respective scheme/project accounts. To the extent amounts are released as grant to the implementing agencies, the same is charged off against the grants received from the Government.

**32.3 Revolving Funds:**

- i. As per relevant Government Order, Mega City Revolving Fund (MCRF) under the centrally sponsored Mega City scheme and Urban Infrastructure Development Fund (UIDF) under Externally Aided Projects and Centrally Sponsored Schemes are maintained to which loan repayments by the Implementing Agencies, interest on loan component recovered from Implementing Agencies and earnings on deployment of unutilised project grants are credited on realisation basis.

**32.4 Revenue Recognition:**

- i. In accordance with GoK letter No. UDD 13 PRJ 06 dated 3.5.2006, in lieu of Management fee, the administrative expenses of the Company will be provided by the Government through the Budget.
- ii. Management Fee payable by GOK is recognized as income to the extent of administrative expenses of the respective financial year.

**32.5 Fixed Assets :**

- i. Fixed assets are stated at cost, less accumulated depreciation.
- ii. The depreciation is charged on non project assets over the useful lives of assets at the rates and manner stipulated under schedule II of the Companies Act, 2013 on Written Down Value method, commencing from the date the asset is available in the company for its use.
- iii. Leasehold Land is Amortized over the lease period.
- iv. Intangible Assets are amortized over their respective individual estimated useful lives on Written Down Value method, commencing from the date the asset is available in the company for its use.
- v. No depreciation is charged on the assets acquired under projects as the same are acquired out of the grants received under the specific projects. Residual cost if

any, after setting off the value realised on disposal of such assets on completion of the project, shall be set off against the specific project grant.

### 32.6 Impairment of Assets:

- i. Assets belonging to the Company (not project Assets) are treated as impaired when the carrying cost of such assets exceed their recoverable value. Impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

### 32.7 Investments :

- i. Investments are classified as long term investments and stated at cost. No provision is made for temporary decline/increase in value of Investments.

### 32.8 Taxation :

- i. The provision for Income Tax is calculated in accordance with the relevant tax regulations applicable to the Company.
- ii. Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax assets and liability are measured as per the tax rates/ laws that have been enacted or substantively enacted by the balance sheet date and are reviewed for appropriateness of their respective carrying values at each balance sheet date.

### 32.9 Retirement Benefits:

Provisions for/ Contributions to retirement benefits schemes are made as follows:

- i. Provident fund on actual liability basis.
- ii. Gratuity based on actuarial valuation through Group Gratuity Policy of LIC.
- iii. Leave Encashment benefits on actual liability basis.

Place : Bengaluru

Date : 29<sup>th</sup> Aug 2017

As per our report of even date  
for **G.V. Acharya & Co.,**  
**Chartered Accountants**  
**FRN: 000029S**

Sd/-  
**(M D Krishna Murthy)**  
Chairman

Sd/-  
**(A B Ibrahim)**  
Managing Director

Sd/-  
**(G Vamanacharya)**  
Partner M. No:009850

Sd/-  
**(K M Ramesh)**  
Gen. Manager- Project Finance

Sd/-  
**(Karthik A)**  
Company Secretary



