

Shillong Smart City Limited



Annual Report

2021-2022



SHILLONG
SMART CITY

CONTENTS

OVERVIEW

- Introduction.
- Vision Statement.
- Message from The Chief Executive Officer.
- Board of Directors.
- Performance Profile.
- Corporate Information.

STATUTORY REPORTS

- Notice to the Members.
- Directors' Report.

FINANCIAL STATEMENTS

- Independent Auditor's Report on Financial Statements.
- Management Reply to the Comments on the Independent Auditor's Report.
- Comments of the C&AG.
- Management Reply to the Comments of the C&AG
- Balance Sheet.
- Statement of Profit & Loss.
- Statement of Cash Flow.
- Notes forming part of the Financial Statements for the year ended 31st March, 2022.

OVERVIEW

Introduction.

Vision Statement.

Message from The Chief Executive Officer.

Board of Directors.

Performance Profile.

Corporate Information.

INTRODUCTION

Smart City Mission is a program launched by the Government of India on the 25th of June, 2015 with an objective to provide urban settlements with core infrastructure and provide a decent quality of life to its citizens, a clean and sustainable environment through application of ‘Smart’ Solutions.

Shillong was selected as the 100th Smart City in June, 2018.

Overview of Shillong Smart City Limited

Shillong Smart City Limited (SSCL) was incorporated as a public limited company on the 22nd January 2019 under the Companies Act, 2013.

The main objective of SSCL is to plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Smart City development projects identified under Smart City Proposal of Ministry of Housing and Urban Affairs (MoHUA), Government of India/ Meghalaya.



Smart City project is implemented in two distinct areas viz., Area Based Development (ABD) and Pan City development.

Area-based development will transform existing areas (retrofit and redevelop), including slums, into better planned ones, thereby improving liveability of the whole city. A total of 10 (Ten) wards and 1 (One) Block, have been identified for implementation of Area Based Development projects. The total estimated area is about 1.63 Sq. Km (402.00 Acres). The population in the identified ABD is about 17500 based on 2011 census.

Where as in Pan City development, application of Smart Solutions will enable cities to use technology, information and data to improve urban infrastructure and services. Comprehensive development in this way will improve quality of life, create employment and enhance incomes for all, especially the poor and the disadvantaged, leading to inclusive cities. PAN City project is planned to be implemented in the entire Shillong Municipal Board and 10 census towns, called as Shillong Urban Agglomeration (SUA). The total estimated area is about 58.84 Sq. Km (14538.00 Acres). The population benefitted by implementation of PAN city project is about 350,000 based on the 2011 census.

As per the approved proposal, Shillong Smart city projects are implemented in two distinct areas of the city as given hereunder:

Area Based Development (ABD): A total of 10 (Ten) wards and 1 (One) Block, as detailed below, have been identified for implementation of Area Based Development projects. The total estimated area is about 1.63 Sq. Km (402.00 Acres). The population in the identified ABD is about 17500 based on 2011 census.

Identified geographical area for implementation of Area Based Development (ABD) projects.

No.	Ward No.	Locality / Landmark	Ward area (Acre)	Area of Ward within ABD (acres)
1	3	Cathedral of Mary Help of Christians	172.7	55.25
2	4	Laitumkhrach	90.95	15.97
3	7	IGP, Lower Lachumiere	123.99	69.87
4	8	European Ward	207.79	90.36
5	9	Police Bazaar	28.53	28.14
6	10	Shillong Jail	70.08	64.43
7	11	Ganesh Das Hospital	182.46	3.27
8	12	Umsohsun	33.3	3.47
9	13	Office of the Syiem of Hima Myllem	46.93	0.98
10	17	Bara Bazaar (Iewduh)	45.7	18.43
11	Myllem C.D. Block			51.82
Total ABD area				401.99

PAN City Projects:

PAN City project is planned to be implemented in the entire Shillong Municipal Board and 10 census towns as give hereunder. Together SMB + 10 census towns is called as Shillong Urban Agglomeration (SUA). The total estimated area is about 58.84 Sq. Km (14538.00 Acres). The population benefitted by implementation of PAN city project is about 350,000 based on the 2011 census.

Identified geographical area for implementation of PAN City Projects

Sl. No.	Name of the Area	Area (sq. km)	Area (in Acres)
1	Shillong Municipal Board	10.36	2560.00
2	Nongthymmai (CT*)	2.93	724.00
3	Mawlai (CT)	6.14	1517.00
4	Madanryting (CT)	2.11	521.00
5	Pynthorumkhrah (CT)	2.02	500.00
6	Nongmysong (CT)	1.65	407.00
7	Lawsotun (CT)	2.19	541.00
8	Nongkseh (CT)	1.57	387.00
9	Umlynka (CT)	2.73	675.00
10	Umpling (CT)	20.51	5068.00
11	Mawpat (CT)	6.63	1638.00
	Total	58.84	14538.00

CT = Census Town

VISION STATEMENT

To transform Shillong into a cultural and economic hub in Meghalaya with a flow on tourism and culture and to make it a liveable, clean, green, inclusive, modern, safe and citizen friendly and well-governed city.

Message From The Chief Executive Officer



Dear valued Shareholders,

Today, as we convene the 3rd Annual General Meeting of your Company, I on behalf of the Board of Directors extend my gratitude and warm welcome to each one of you. It gives me immense pleasure to present before you the Annual Report of your Company for the F.Y. 2021-22.

Before, I take you through the achievements during the year under review, I would like to present a brief overview of the Company.

The Government of India launched the Smart Cities Mission on 25th June 2015.

The objective of this mission is to provide urban settlements with core infrastructure and a decent quality of life to its citizens, a clean and sustainable environment through application of Smart Solutions.

The main aim under Smart City project is to drive economic growth and improve the quality of life of people by enabling local area development and harnessing technology, especially technology that leads to smart outcomes.

Area-based development is aimed to transform existing areas (retrofit and redevelop), including slums, into better planned ones, thereby improving liveability of the whole city.

The aim of application of Smart Solutions is to enable cities to use technology, information and data to improve urban infrastructure and services. Comprehensive development in this way will improve quality of life, create employment and enhance incomes for all, especially the poor and the disadvantaged, leading to inclusive cities.

Shillong was selected as the 100th Smart City on 4th July 2018.

Your Company is a public limited company which was incorporated on the 22nd January 2019 under the Companies Act, 2013. The main objective of your Company is to plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Smart City development Projects.

As for the year under review your Company was administered through a Board with its total strength of 14 Directors inclusive of 2 Independent Directors.

The key functions and responsibilities of your company are to:

- 1) Approve and sanction the projects including their technical appraisal.
- 2) Execute the Smart City Proposal with complete operational freedom.
- 3) Take measures to comply with the requirements of MoHUA with respect to the implementation of the Smart Cities programme.
- 4) Mobilize resources within timelines and take measures necessary for the mobilisation of resources.
- 5) Approve and act upon the reports of a third-party review and monitoring agency.
- 6) Overview capacity building activities.
- 7) Develop and benefit from inter-linkages of academic institutions and organizations.
- 8) Ensure timely completion of projects according to set timelines.
- 9) Monitor and review quality control related matters and act upon issues arising thereof.
- 10) Enter into contracts, partnerships and service delivery arrangements as may be required for the implementation of the Smart City Projects.
- 11) Any other functions as delegated by the central government or state government/ ULB within the scope of smart city mission.

I am pleased to report that since its inception Shillong Smart City Ltd has made substantial progress and have successfully awarded 11 number of projects at a cost of ₹ 670.95 Cr as of end of F.Y. 2021-2022.

The list of Projects awarded as of end of March, 2022 are as follows:

SL No.	Project Name
1	Traffic Awareness
2	Construction of a Commercial Complex at Polo, Shillong
3	Construction and Re-Development of Laitumkhrah Municipal Market at Laitumkhrah, Shillong
4	Construction of 6Km Smart Roads (Phase -1) in Shillong under Smart City Mission, Shillong
5	Design, Build, Operate, Maintain and Transfer of Mechanised Multi Level Car Park MLP at Mothphran in Shillong
6	Waste Water Treatment through in-situ Nallah Treatment Technology at various locations in Shillong, East Khasi Hills District
7	Construction of Rain Water Harvesting System at various locations in Shillong
8	Fire Safety
9	Construction of Shillong Business Cum Tourism and Cultural Centre at Police Bazar, Shillong
10	Retrofitting and upgradation of 3 Multi-level Parking at various locations in Shillong
11	Implementation of Integrated Command and Control Centre and Smart Elements in Shillong

Before, I conclude, I wish to express my heartfelt gratitude to the esteemed shareholders, and to the various stakeholders including but not limited to the consultants, contractors, suppliers, auditors, bankers for their support and trust placed in SSCL despite the challenges and adversities posed during the pandemic.

I would also like to take the opportunity to extend my sincere appreciation to the various government departments such as Meghalaya Urban Development Authority, Shillong Municipal Board, PWD, PHE, Department of Information & Technology, Department of Police, Fire Department etc for their continuous support and co-operation.

Nothing appears to be more reasonable and proper than taking this opportunity to extend my sincere thanks to all the members in the Board for their passionate support and co-operation.

I, on behalf of the entire team of SSCL am grateful for reposing your faith and confidence in the Company's Management.

With your continued trust and support, your Company continues to create value by delivering the planned/intended benefits of Shillong Smart City Projects to the citizens of Shillong.

Sd/-
Dr. T.V. Krishna Murthy
Chief Executive Officer

BOARD OF DIRECTORS



Shri M.S. RAO
Non- Executive Chairman
(Upto 30-09-2021)



Smt R.V. SUCHIANG
Government Nominee Director
Non Executive Chairperson
(w.e.f. 30-09-2021)



Shri M. R. SYNREM
Executive Director



Dr. D. VIJAY KUMAR
Government Nominee Director



Shri WILFRED KHYLLEP
Government Nominee Director
(w.e.f. 12-10-2021)



Shri C.V. D. DIENGDOH
Government Nominee Director
(w.e.f. 12-10-2021)



Shri G. KHARMAWPHLANG
Director



Smt ISAWANDA LALOO
Government Nominee Director



Shri RAHUL KAPOOR
Government Nominee Director
Representative of Government of India



Shri B.S SOHLIYA
Government Nominee Director



Shri C.R CHALLAM
Government Nominee Director
(w.e.f. 21-07-2021)



Shri G.K. MARAK
Government Nominee Director
(w.e.f. 21-07-2021)



Shri BRUCE P MARAK
Government Nominee Director
(Upto 21-07-2021)



Shri PATRICK MARAK
Government Nominee Director
(Upto 21-07-2021)



Dr. NATALIE KHARKONGOR
Independent Director



Shri JWATBOR-SINGH CAJEE
Independent Director



Dr. T.V. KRISHNAMURTHY
Director



Shri PAUL KHONGJEE
Director (Finance)
(w.e.f. 28-02-2022)

CORPORATE INFORMATION



SHILLONG SMART CITY LIMITED

CIN: U9300ML2019SGC013677

Registered Office

House No. C/B- 037, Top Floor,

Centre Nongrim Hills, Near JJ Cables,

East Khasi Hills District,

Shillong- -793003, Meghalaya, India

Website: www.sscl.meghalaya.gov.in

Phone: 0364-2522006

Email: shillongsmartcityltd@gmail.com

MANAGEMENT TEAM

Dr. T. V. KRISHNAMURTHY

Chief Executive Officer

B. B. AGARWAL

General Manager (Urban Infrastructure)

S. KALYANA RAMAN

General Manager (Roads)

P. KHONGJEE

Director (Finance)

ARCHITA CHAKRABORTY

Company Secretary

PROJECT MANAGEMENT CONSULTANTS

IPE GLOBAL LIMITED

STATUTORY AUDITOR

M/s S S D & Co.

Chartered Accountant

Near High Court Meghalaya

M.G. Road, Shillong

Shillong, Meghalaya

OUR BANKERS

1. State Bank of India

M G Road, near General PO

Shillong, East Khasi Hills

Meghalaya-793001

2. Bhandhan Bank

Police Bazaar,

Beside Woodland Showroom

Shillong, Meghalaya

Pin - 793001

INTERNAL AUDITORS

M/s R. Pal & Co.

Chartered Accountants

C.P.I Office Campus,

Quinton Road, Shillong

Shillong, Meghalaya.



Site Clearance Works at MTC Land

STATUTORY REPORTS

Notice to the Members.

Directors' Report.

Annexures to Directors' Report.

NOTICE

Notice is hereby given that the **Third (3rd) Annual General Meeting** of the Members of Shillong Smart City Limited will be held on Friday, the 23rd of September, 2022 at 12 Noon, in the Committee Room No. 4, Main Secretariat Building to transact the following Ordinary Businesses:

Ordinary Businesses:

Item No. 1

To receive, consider and adopt the Audited Financial Statement for the Financial Year ending on 31st March, 2022; and the Report of the Board of Directors, the Reports of the Statutory Auditors and the comments thereupon of Comptroller and Auditor General of India (C&AG).

The members will be apprised that the Annual Accounts for the Financial Year 2021-22 is currently under audit and as such the Audited Accounts along with the report of the Statutory Auditors and the comments of the C&AG are not available to be placed before the members for their approval and adoption.

The members shall be informed about the status and the expected date of completion of the Audit of the Annual Accounts.

Thereafter, the proposal to defer this Agenda Item until the completion of the Audit by the Comptroller & Auditor General of India, will be placed before the members for their approval.

Therefore, if thought fit, with the approval of the members the following resolution shall be passed:

“RESOLVED THAT the agenda item to receive, consider and adopt the Audited Financial Statement for the Financial Year ending on 31st March, 2022; and the Report of the Board of Directors, the Reports of the Statutory Auditors and the comments/ thereupon of Comptroller and Auditor General of India (C&AG), is deferred until receipt of the comments of the CAG.”

“RESOLVED FURTHER THAT the Financial Statements 2021-22 will be placed for adoption in the Third Adjourned Annual General Meeting of the Company subsequent to the receipt of the comments from C&AG and approval of the Director’s Report by the Board of the Company.”

Item No. 2

Resolution For Re-Appointment Of Directors

The members will be apprised that in accordance with Section 152(6)(e) of the Companies Act, 2013 and the Articles of Association of Shillong Smart City Limited, at every Annual General Meeting two- third of the total strength of the directors are liable to retire by rotation and one-third of the directors who have been longest in the office since their appointment shall retire by rotation and in the same AGM shall be eligible for re-appointment on the Board.

Therefore, the matter for re-appointment of the following directors will be placed before the members.

- 1) Shri D. Vijay Kumar (DIN: 05151831)
- 2) Shri T.V. Krishnamurthy (DIN: 00865600)
- 3) Shri C.R. Challam (DIN: 09248961)

The members if thought fit will then propose and pass with or without modification(s), the following resolutions as Ordinary Resolutions:

“RESOLVED THAT Shri D. Vijay Kumar (DIN: 05151831) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retirement by rotation.”

“RESOLVED FURTHER THAT Shri T.V. Krishnamurthy (DIN: 00865600) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment be and is hereby re-appointed as a Director of the Company, liable to retirement by rotation.”

“RESOLVED FURTHER THAT Shri C.R. Challam (DIN: 09248961) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-

appointment be and is hereby re-appointed as a Director of the Company, liable to retirement by rotation.”

Item No. 3

To Fix The Remuneration Of The Statutory Auditors Of The Company For The Financial Year 2022-23

The Members shall be apprised that the Comptroller & Auditor General of India (C&AG) vide its letter No./ CA.V/COY/MEGHALAYA,SHLSCL(1)/1598 dated 12/09/2022 have appointed M/s S S D & Co, Chartered Accountants, Shillong as the Statutory Auditor of Shillong Smart City Limited for the Financial Year 2022-23.

Therefore, the following shall be placed for the approval of the members

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 142 of the Companies Act, 2013, the remuneration of the M/s S S D & Co. Statutory Auditors appointed for the Financial Year 2022-23, based on a recommendation made by the Comptroller & Auditor General of India, vide their letter No. No./CA.V/COY/MEGHALAYA, SHLSCL(1)/1598 dated 12/09/2022 be fixed at ₹15,000 (Rupees Fifteen Thousand) excluding applicable GST, for audit of accounts of the Company for the year 2022-23.”

**By Order of the Board of Directors
Shillong Smart City Limited**

Date: 20/09/2022

Place: Shillong

**Sd/-
Company Secretary**

NOTES:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Blank proxy form is enclosed.
- 2) The Attendance sheets to be duly filled by the Members are annexed herewith.
- 3) Voting to be by show of hands in the first instance Every member present in person or by proxy shall have only one vote on a show of hands. Only when a poll is demanded under section 109, every such member shall have one vote for every share held by him/her (sections 105 to 109 and Articles 15.11 & 15.12)
- 4) Six members (shareholders) of the Company personally present is the quoram (Article 15.8)
- 5) All the documents relevant to the resolutions specified in the Notice are available for inspection by the shareholders of the Company at the Registered office of the Company.
- 6) Route Map of the venue of the AGM is appended herewith
- 7) Statutory registers maintained under Section 170 and Section 189 of the Companies Act, 2013 are open for inspection during the business hours and will also be available at the venue of the AGM
- 8) None of the Directors of the Company has any interest or concern vested in anyway in passing the resolution.

Annexures

- 1) Proxy Form (Form MGT-11)
- 2) Attendance Sheet

By Order of the Board of Directors
Shillong Smart City Limited

Sd/-
Company Secretary

Date: 20/09/2022
Place: Shillong

NOTICE

Notice is hereby given that the **Third (3rd) Adjourned Annual General Meeting** of the Members of Shillong Smart City Limited will be held on **Thursday, the 3rd Day of August, 2023** at **11:00 A.M.** in the Conference Hall Main Secretariat Building to transact the following Ordinary Businesses:

Ordinary Businesses:

Item No. 1

To receive, consider and adopt the Audited Financial Statement for the Financial Year ending on 31st March, 2022; and the Report of the Board of Directors, the Reports of the Statutory Auditors and the comments thereupon of Comptroller and Auditor General of India (C&AG).

The item in relation to adoption of the Financial Statements for the Financial Year ending 31st March, 2022 along with the Board's Report and Independent Auditor's Report thereon and the comments thereupon of Comptroller and Auditor General of India shall be taken up.

If thought fit, with the approval of the members the following resolution shall be passed:

“RESOLVED THAT the audited financial statements of Shillong Smart City Limited for the Financial Year ended March 31, 2022 containing the Balance Sheet as at that date, the Statement of Profit & Loss, and the Cash Flow Statement for the year ended on that date together with the Notes and the Reports of the Independent Auditors and the Comments of the Comptroller and Auditor General of India and the Board of Directors Report along with its annexures thereon be and are hereby approved and adopted.”

By Order of the Board of Directors

Shillong Smart City Limited

Date: 10/07/2023

Place: Shillong

Sd/-

Company Secretary

NOTES:

- This is the adjourned Meeting of the 3rd Annual General Meeting that was held on the 23rd of September, 2022.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Blank proxy form is enclosed.
- The Attendance sheets to be duly filled by the Members are annexed herewith.
- Voting to be by show of hands in the first instance. Every member present in person or by proxy shall have only one vote on a show of hands. Only when a poll is demanded under section 109, every such member shall have one vote for every share held by him/her (sections 105 to 109 and Articles 15.11 & 15.12)
- Six members (shareholders) of the Company personally present is the quorum (Article 15.8)
- All the documents relevant to the resolutions specified in the Notice are available for inspection by the shareholders of the Company at the Registered office of the Company.
- Route Map of the venue of the AGM is appended herewith
- Statutory registers maintained under Section 170 and Section 189 of the Companies Act, 2013 are open for inspection during the business hours and will also be available at the venue of the AGM
- None of the Directors of the Company has any interest or concern vested in anyway in passing the resolution.

Annexures

1. Proxy Form (Form MGT-11)
2. Attendance Sheet

By Order of the Board of Directors
Shillong Smart City Limited

Sd/-
Company Secretary

Date: 10/07/2023
Place: Shillong

Form No. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act,
2013 and rules 19(3) of the Companies (Management
and Administration) Rules, 2014)

Name of the member (s): _____

Registered Address: _____

E.Mail Id: _____ Folio No. /Client Id _____ DP ID _____

I/We, being the member(s) holding _____ shares of the above-named Company,
hereby appoint

1. Name: _____ Address: _____

E.mail ID: _____ Signature _____

or failing him

2. Name: _____ Address: _____

E.mail ID: _____ Signature _____

or failing him

3. Name: _____ Address: _____

E.mail ID: _____ Signature _____

as my/~~our~~ proxy to attend and vote (on a poll) for me/~~us~~ and on my/~~our~~ behalf at the
Third (3rd) Annual General Meeting of the Company, to be held on Friday the 23rd of
September, 2022 at the Committee Room No. 4, Main Secretariat Building, Shillong,
Meghalaya and at any adjournment thereof in respect of such resolutions as are
indicated below

Resolution No.

Resolution(S)	Vote	
	For	Against
<p><u>Ordinary Resolution:</u></p> <ol style="list-style-type: none"> 1. To receive, consider and adopt the Financial Statement for the Financial Year ending on 31st March, 2022 and Directors' Report and Independent Auditors' Report thereon and the comments thereupon of Comptroller and Auditor General of India. 2. To appoint a director in place of Shri D. Vijay Kumar (DIN: 05151831) who retires by rotation and being eligible, offers himself for reappointment. 3. To appoint a director in place of Shri T.V. Krishnamurthy (DIN: 00865600) who retires by rotation and being eligible, offers himself for reappointment. 4. To appoint a director in place of Shri C.R. Challam (DIN: 09248961) who retires by rotation and being eligible, offers himself for reappointment. 5. To fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2022-23 in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013. 		

Signed this.....day of..... 2022

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

ATTENDANCE SHEET

3rd Annual General Meeting

Reg. Folio/DP & Client No: _____

No. of Shares Held: _____

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the Third (3rd) Annual General Meeting of the Company on the 23rd September, 2022 at the Committee Room, Main Secretariat Building at 11:00 AM.

Member's Name:

Proxy's Name:Member's/ Proxy's Signature



Site for Multilevel Parking Lot, Motphran

DIRECTORS' REPORT

SHILLONG SMART CITY LIMITED**Directors' Report 2021-22**

Dear Members,

On the behalf of the Board of Directors, we hereby present the 3rd Annual Report on the performance of your Company containing Audited Financial Statements together with the Auditors' Report and the Comments of the Comptroller & Auditor General of India for the Financial Year ended 31st March, 2022.

SIGNIFICANT HIGHLIGHTS**1. FINANCIAL HIGHLIGHTS 2021-22:**

During the Financial Year 2021-22, the Company has earned a total revenue of ₹7,09,28,285 as against ₹5, 23,77,847 in the previous year F.Y. 2020-21.

The Company has incurred a loss of ₹ 2,33,309.00 in F.Y.2021-22 as compared to a profit of ₹ 37,03,940 during the F.Y. 2020-21.

The Summary of the Financial Performance of the Company for the Financial Year ended 31st March, 2022 is given below:

Particulars	For the Financial Year 2021-22
Total Income	7,09,28,285
Total Expenses	5,41,66,098
Profit Before Exceptional and Extraordinary Items and tax	1,67,62,186
Less Exceptional Items	1,65,09,984
Profit/ Loss Before Tax	2,52,202
Less: Current Tax	83,973
Less: Deferred Tax	(401,538)
Net Profit/ Loss After Tax	(2,33,309)

1. CAPITAL STRUCTURE :

The Authorized Share Capital of the Corporation is ₹1,00,00,000/- (One Crore) comprising of 10,00,000 (Ten Lakh) Equity Shares of ₹10 each. The issued, subscribed and the Paid-up share capital of the Company is ₹ 10,00,000 (Rupees Ten Lakhs) comprising of 1,00,000 (One Lakh) Equity Shares of ₹ 10 each.

2. COMPOSITION OF THE BOARD OF DIRECTORS

(A) Composition of the Board of Directors as on 31st March, 2022

SL No.	Name
1.	Smt R.V. Suchiang Chief Secretary to the Government of Meghalaya Chairperson
2.	Shri M.R. Synrem Commissioner & Secretary, Urban Affairs Department Government of Meghalaya Executive Director
3.	Shri D. Vijay Kumar Commissioner & Secretary (Planning) Government of Meghalaya Government Nominee Director
4.	Shri C.V.D. Diengdoh Secretary (Law) Government of Meghalaya Government Nominee Director
5.	Smt. Isawanda Laloo Deputy Commissioner, East Khasi Hills District Government of Meghalaya Government Nominee Director

6.	Shri Gideon Kharmawphlang Director, Urban Affairs Department Government of Meghalaya
7.	Shri Rahul Kapoor Mission Director Government of India Government Nominee Director
8.	Shri B. S. Sohliya CEO, Shillong Municipal Board Government Nominee Director
9.	Shri G.K. Marak Chief Engineer, National Highways Government Nominee Director
10.	Shri C.R.Challam Chief Engineer, PHE Government Nominee Director
11.	Shri T.V. Krishna Murthy CEO/ Functional Director SSCL
12.	Smt. Natalie Kharkongor Independent Director
13.	Shri Jwatbor Cajee Independent Director
14.	Shri P. Khongjee Director (Finance), SSCL

(B) Changes in the composition of the Board of Directors during the Financial Year

Sl No.	Position	With effect From	Change	
			From	To
1.	Government Nominee Director Chief Engineer, PWD	21-07-2021	Shri Bruce P Marak	Shri G.K. Marak
2.	Government Nominee Director Chief Engineer, PHE	21-07-2021	Shri Patrick Marak	Shri C.R. Challam
3.	Chairperson Chief Secretary Government of Meghalaya	30-09-2021	Shri M.S. Rao	Shri R.V. Suchiang
4.	Government Nominee Director Commissioner & Secretary (Law)	12-10-2021	Shri Wilfred Khylllep	Shri C.V.D. Diengdoh
5.	Government Nominee Director Chief Engineer, PHE	31-11-2020	Shri K.D. Talukdar	Shri Patrick Marak
6.	Director (Finance)	28-02-2022	-	Shri P. Khongjee

(C) Changes in the composition of the Board of Directors after the date of the Financial Statements

Sl No.	Position	With effect From	Change	
			From	To
1.	Independent Director	10-05-2022	Jwatbor Singh Cajee	Riewad Vicharwant Warjri (w.e.f.08.11.2022)
2.	Chairperson Chief Secretary to the Government of Meghalaya	01-08-2022	Smt. R.V. Suchiang	Shri D.P. Wahlang
3.	Director, Urban Affairs	26-08-2022	Shri G. Kharmawphlang	Shri E. Kharmalki
4.	Government Nominee Director Chief Executive Officer, SMB	31-08-2022	Shri B.S. Sohliya	Shri J.P. Lakiang
5.	Government Nominee Director, Chief Executive Engineer, PHE	30-11-2022	Shri C.R. Challam	Smt. B.M. Lyndem
6.	Independent Director	23-12-2022	Smt Natalie Kharkongor	-
7.	Government Nominee Director (Representative of Government of India)	21-02-2023	Shri Rahul Kapoor	Shri Lal Chhandama
8.	Director (Finance)	31-03-2022	Shri P. Khongjee	

3. DIVIDEND:

Your Company has incurred loss during the period under review and hence no dividend has been declared for the current Financial Year.

4. STATUTORY AUDITORS:

The Statutory auditors of your company are appointed by the Comptroller & Auditor General of India (C&AG), M/s S S D & Co., Chartered Accountants, Shillong was appointed as the Statutory Auditor for the financial year 2021-22.

5. SECRETARIAL AUDIT

The provisions of Section 204 of the Companies Act, 2013 with respect to secretarial audit are currently not applicable to the Company. Hence there is no Secretarial Auditor appointed nor has any Secretarial audit being carried out for the period under review.

6. DEPOSITS

The Company has not initiated, accepted or renewed any deposits from the public falling under the ambit of Sec 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rule, 2014.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or corporate guarantees and has also not made any investments under Section 186 of the Companies Act, 2013.

8. ESTABLISHMENT OF VIGIL MECHANISM

The provisions of the Section 177 (9) of the Companies Act, 2013 the Vigil Mechanism is currently not applicable to the Your Company. It shall be proposed to adopt a Vigil mechanism and frame and adopt a whistle blower policy for its directors and employees along with the necessary rules and regulations and make necessary arrangements for the employees to raise and report their genuine concerns to the appointed authority.

9. HUMAN CAPITAL

Your Corporation believes that human resource management is an integral part of the organisation's success. Your Company has hence tried to ensure that the human resource policies and practices are sensitive to the employee needs.

In line with the Government's motto of making India Self-reliant and Self-sufficient, The Ministry of Housing and Urban Affairs (MoHUA) had launched “ ***THE URBAN LEARNING INTERNSHIP PROGRAM (TULIP)*** ” to create synergies between advancing functional skills in students and harnessing their ideas to co-create solutions for the future of our cities. “

Your corporation has inducted 5 interns under the TULIP program during the current Financial Year.

10. INDUSTRIAL RELATIONS:

During the year your Company continued to maintain harmonious and cordial Industrial Relations with all the stakeholders.

11. WOMEN EMPOWERMENT:

Women employees constitutes a major part of your Company's workforce. SSCL celebrated Women's Day on 8th March, 2022 and has been actively supporting women employees.

The Board of the Company also comprises of three women Directors.

12. IMPLEMENTATION UNDER RIGHT TO INFORMATION ACT:

In order to promote transparency and increased accountability, Company has put in place the implementation of Right to Information Act, 2005. Appropriate mechanism has been put in place by the Company for addressing various queries as per Section 2(h) of the Right to Information Act, 2005, related to RTI Act.

13. CODE OF CONDUCT:

The Board of your Corporation has enunciated a code of conduct for the directors and senior management personnel, which has been circulated to all the concerned. The Directors and senior management personnel have affirmed compliance with the code of conduct.

14. RISK MANAGEMENT:

Your Company has a well laid risk assessment and management process. In order to mitigate the risks and oversee the risks management process a committee of officers is formed. Any grave issue requiring attention is placed before the Board.

15. INTERNAL FINANCIAL CONTROLS:

In order to ensure efficient conduct of the business as per the laid procedures, an adequate financial control mechanism is placed in your organization. Safeguarding the assets, preventing and detecting frauds and errors, accuracy and completeness of the accounting records and financial statements is ensured by your corporation.

16. CORPORATE GOVERNANCE:

Your corporation continues to adopt the best practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning.

17. EXTRACT OF THE ANNUAL RETURN:

As required under provisions of the Companies Act, 2013, the Annual Return for the financial year 2021-2022 is hosted on the Company's website and can be assist from the link <https://sscl.meghalaya.gov.in/annual-report.html>.

18. MEETINGS OF THE BOARD HELD DURING THE PERIOD UNDER REVIEW

The details of the Board meeting held during the period under review:

Board Meeting Number	Date of the Board Meeting
1 st	6 th Meeting held on 12 th August, 2021
2 nd	7 th Meeting held on 28 th November, 2021
3 rd	8 th Meeting held on 28 th February, 2022

19. MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

Government Companies are exempted from complying with the requirement of Section 197 (Chapter XIII) by virtue of the Notification given by the Ministry of Corporate Affairs (MCA) dated 5th June, 2015. Hence, the Rules made thereunder i.e. Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is also not applicable to Government Companies.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

21. COMPLIANCE WITH THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been implemented across the Corporation with the clear objective of providing protection to women against sexual harassment at the workplace and for prevention and redressal of complaints.

The Company fully respects the Vishakha Guidelines in spirit and practice and as has framed it as a part of its Human Resource Manual.

Your Company has initiated the process to form an internal complaint committee in the Corporate Office headed by senior level women executives in order to deal with sexual harassment complaints, if any, and conduct enquiries thereon.

22. GOVERNMENT AUDIT REVIEW

The comments of the Comptroller and Auditor General of India (C&AG) under the Companies Act, 2013, on the accounts of the Company for the year ended 31st March, 2022 is placed in the Financial Statements of the Company.

23. BOARD OF DIRECTORS:

SSCL being a Government Company, appointment/nomination of all the Directors is done by the Government of Meghalaya. As on 31st March, 2022 there were Fourteen Directors out of which 11 non-executive Directors as Government Nominee Directors. The Chief Secretary, to the Government of Meghalaya as its Non-Executive Chairperson, the Senior most Secretary of the Urban Affairs Department is the Executive Director, the Chief Executive Officer of the Company is also a functional Director on the Board and as on the year end date there was one independent director.

Three meetings of the Board of Directors were held during the financial year 2021-2022 and the requisite quorum was present throughout the meeting that were held.

i) Disclosures:

(A) Basis of Related Party Transactions:

There were no material transactions with related parties during the year.

(B) Disclosure of Accounting Treatment:

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and in the preparation of Financial Statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standards.

24. STATUTORY DISCLOSURES

a) Particulars of Employees

Your Company being a Government Company, the provisions of section 197(12) of the Companies Act, 2013 and relevant Rules do not apply in view of the Gazette notification dated 05.06.15 issued by Government of India, Ministry of Corporate Affairs.

The terms and conditions of the appointment of Functional Directors are subject to the clauses of the Articles of Association of the Company. The salary and terms and conditions of the appointment of the Key Managerial Personnels of the Company, are in line with the parameters prescribed by the Government of India.

25. DIRECTORS

a) Policy On Directors' Appointment Etc.

Your Company being a Government Company, the provisions of section 134(3) (e) of the Companies Act, 2013 do not apply in view of the Gazette notification dated 05.06.15 issued by Government of India, Ministry of Corporate Affairs.

b) Performance Evaluation

The provisions of Section 134(3)(p) of the Companies Act, 2013 relating to evaluation of Board/ Directors do not apply to your Company since necessary exemptions are provided to all government companies.

26. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its Responsibility Statement:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2022 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of 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;
- d) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.
- e) The Directors have laid down internal financial controls which are being followed by the company and that such internal financial controls are adequate and are operating effectively.

- f) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

27. ACKNOWLEDGEMENT

Your Board takes the opportunity to express their gratitude to all the employees for their collective hard work, commitment and ability to work as a Team and deliver desired results and it expects continuance of a supportive relationship in future also.

Your Directors acknowledges the support and guidance received from the Urban Affairs Department, various government departments, stakeholders, suppliers, Banks and other agencies for their extended co-operation. The Directors also express their gratitude to the Comptroller and Auditor General of India, Principal Director of Commercial Audit and Ex-officio Member, Audit Board – IV and the Statutory Auditors for their valuable guidance and co-operation.

For and on behalf of the Board of Directors'

**Sd/-
Dr. Vijay Kumar D
Executive Director
DIN: 05151831**

**Sd/-
E. Kharmalki
Director
DIN: 08338554**

**Place: Shillong
Date: 7th July, 2023**



Site for Development of Office Cum Automated Multilevel Car Park (On the DBOT basis) at Mawkhar.

FINANCIAL STATEMENTS

Independent Auditor's Report on Financial Statements.

Management Reply to the Comments on the Independent Auditor's Report.

Comments of the C&AG.

Management Reply to the Comments of the C&AG.

Balance Sheet.

Statement of Profit & Loss.

Statement of Cash Flow.

Notes forming part of the Financial Statements for the year ended 31st March, 2022.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To,

The Members of Shillong Smart City Limited

Shillong

Report on the Audit of the Standalone Financial Statements

1. Qualified Opinion

1.1 We have audited the standalone financial statements of **Shillong Smart City Limited** (“the Company”), which comprise the Balance Sheet as at **31st March 2022**, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

1.2 In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act 2013 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 31st, 2022 and profit/loss, and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

2.1 We draw attention to Point No. Q. “PRIOR PERIOD EXPENSES” of Notes to Accounts and Significant Accounting Policies where the Company has disclosed expenditure of Rs. 1,65,09,984/- related to Consultancy Services of previous financial years. Year-wise details of the same was not disclosed in such Notes to Accounts.

2.2 No details were provided with respect to Provision for Taxation amounting to Rs. 631760/-

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for

the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

4. Information Other than the Standalone Financial Statements and Auditors' Report thereon

4.1 The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance, but does not include the standalone financial statements and our auditors' report thereon.

4.2 Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

4.3 In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

4.4 If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Key Audit Matters:

5.1 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of

the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

(a) Mobilisation Advance against 100% Bank Guarantees with respect to Rain Water Harvesting Project was released in two instalments dated 03.12.2021 and 10.12.2021. As per the contract, the 2nd Instalment was to be released after verifying the utilization of the 1st Instalment which in the given case was absent.

(b) Measurement Books/Sheets as produced before us do not have the date columns. Also, such Measurement Books/Sheets are attached only with Running Bills, thus between two such consecutive running bills, there are no underlying periodical records of works being carried out.

6. Responsibility of Management for Standalone Financial Statements

6.1 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.

6.2 This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the

financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

6.4 The Board of Directors are also responsible for overseeing the company's financial reporting process.

7. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

7.3 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

7.4 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, related safeguards.

8. Report on Other Legal and Regulatory Requirements

8.1 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 Companies Act, 2013, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

8.2 We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "**Annexure-B**" on the directions and sub-directions issued by Comptroller and Auditor General of India.

8.3 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. On the basis of the written representations received as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **“Annexure C”**.
- 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 does not have any pending litigation which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

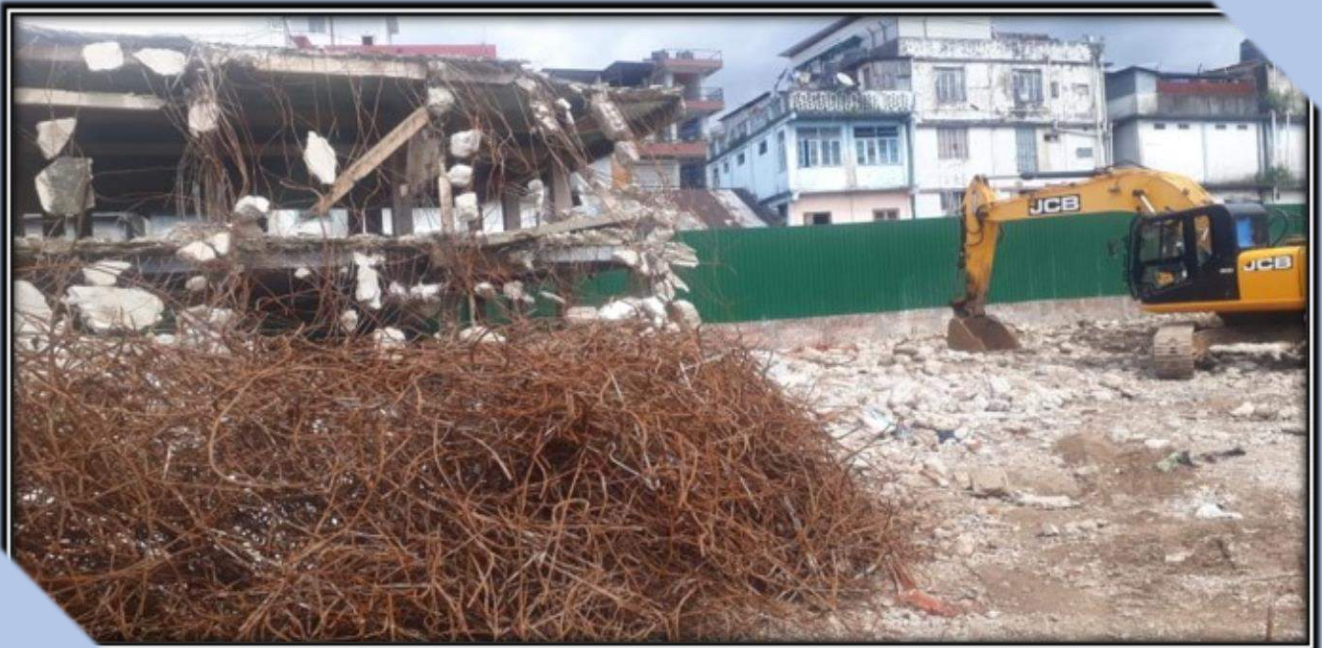
**For M/s SSD & CO.
Chartered Accountants
FRN: 0326761E**

**Place: Shillong
Date: 03-01-2023
ICAI UDIN: 23303776BGRTTT7534**

**Sd/-
(SUMIT DAS)
Partner
ICAI Mem. No. 303776**



Redevelopment of Laitumkhrah Market



ANNEXURE A,B & C

Annexure – A to Independent Auditors’ Report of Shillong Smart City Limited for the Financial Year ended 31st March, 2022

A. Referred to in Paragraph 8.1 under the heading “**Report on Other Legal and Regulatory Requirements**” of our report on even date.

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

- (i) (a) the Company has maintained proper records showing full particulars, quantitative details and situations of fixed assets.
(b) No physical verification of fixed assets was undertaken by the management during the year under audit.
(c) The Company does not hold any immovable property and there is no question of the title deed being held in the name of the company.
- (ii) As explained to us, there is no inventories to be reported by the Management as on 31.03.2022.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause (iii) (a), (b) and (c) of the Order are not applicable to the company.
- (iv) According to the information and explanations given to us, the Company has neither advanced any loan including any loan represented by a book debt, to any of its directors or to any other person in whom director is interested, nor made any investment during the reporting period, hence the said Clause (iv) of the Order is not applicable to the company.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year in accordance with the provisions of section 73 to 76 of the Act and rules framed there under. Accordingly, the provisions of Clause (v) (a), (b) and (c) of the Order are not applicable to the Company.

- (vi) As explained to us, the Central Government has specified for the maintenance of Cost Records under sub section (1) of section 148 of the Companies Act, 2013. However, we have been informed that the same not specified to be maintained to the company.
- (vii) (a) According to the information and explanations given to us and according to the books and records, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Goods & Service Tax, duty of Customs, cess and any other statutory dues to the appropriate authorities.
- (viii) According to the information and explanations given to us, the Company is not covered under the ambit of the Provident Funds and Miscellaneous Provisions Act, 1952 and the ESI Act, 1948 as the number of employees are less than the threshold specified by the Act.
- (ix) The company has not taken any loan or borrowings from financial institutions, bank, Government; hence the said Clause (viii) of the Order is not applicable.
- (x) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans and hence the said Clause (ix) of the Order is not applicable.
- (xi) As informed and reported to us there is no fraud by the Company or any fraud on the company by its officers or employees noticed or reported during the year and hence the said Clause (x) of the Order is not applicable.
- (xii) According to the information and explanations given to us, as the Company is a Government Company, the provisions of section 197 of the Companies Act 2013 read with Schedule V to the Companies Act with respect to Managerial Remuneration does not apply to it.
- (xiii) The Company is not a Nidhi Company, hence the said Clause (xii) of the Order is not applicable.

- (xiv) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013.
- (xv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence the said clause (xiv) of the Order is not applicable.
- (xvi) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the said Clause (xv) of the Order is not applicable.
- (xvii) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as it does not carry-on business of a non-banking financial institution.

**For and on behalf of M/s SSD & Co.
Chartered Accountants
FRN: 0326761E**

**Place: Shillong
Date: 03-01-2023
UDIN: 23303776BGRTTT7534**

**Sd/-
(SUMIT DAS)
FCA, DISA(ICAI)
Partner
Membership No. 303776**

Annexure – B to Independent Auditors’ Report of Shillong Smart City Limited for the Financial Year ended 31st March, 2022

A. Referred to in Paragraph 8.2 under the heading “**Report on Other Legal and Regulatory Requirements**” of our report on even date.

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

Sl. No.	Directions	Our Comment
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	No. The Company processes its bills manually through a consultant i.e., M/s IPE Global. The processed bill is then passed into books of accounts through passing of accounting entry in Tally Software.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	No such cases of restructuring or waiver of loan was observed by us.
3	Whether funds (grants/subsidy) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	Yes, the Company in general has complied with such terms and conditions subject to the Key Audit Matters as reported in Para 5 of our Independent Auditors’ Report .

For and on behalf of M/s SSD & Co.
Chartered Accountants
FRN: 0326761E

Place: Shillong
Date: 03-01-2023
UDIN: 23303776BGR TTT7534

Sd/-
(SUMIT DAS)
FCA, DISA(ICAI)
Partner
Membership No. 303776

Annexure – C to Independent Auditors’ Report of Shillong Smart City Limited for the financial year ended 31st March, 2022

Referred to in Paragraph 8.3(f) under the heading “**Report on Other Legal and Regulatory Requirements**” of our report on even date.

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

We have audited the internal financial Controls Over Financial Reporting of Shillong Smart City Limited (“the Company”) as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Managements Responsibility for Internals 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 Accountant of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial controls over financial reporting (‘the Guidance Note’) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial

controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all materials respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that –

- i) Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

- company are being made only in accordance with authorizations of the management and directors of the company; and
- iii) 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 the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Emphasis of Matter

The company does not have a defined and documented internal audit system and workflow so as to cover all major areas with extensive scope. The Company appointed an Internal Auditor for the period under consideration. We recommended that the scope of internal audit should be clearly defined to cover risk areas like physical verification of fixed assets, inventory, reconciliation of statutory dues paid with corresponding returns filed, etc. This can potentially improve weak checks and balances and report financial irregularities timely resulting in prevention of losses and distorted financial reporting. We also recommend that steps be taken to ensure that access to physical records in the nature of files, registers etc. are monitored properly and kept in proper custody. Installation of CCTV cameras should also be carried out to ensure physical security of the assets of the Company.

Opinion:

In our opinion, the Company has maintained, in all material respect, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of **March 31, 2022**, 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 and on behalf of M/s SSD & Co.
Chartered Accountants
FRN: 0326761E**

**Place: Shillong
Date: 03-01-2023
UDIN: 23303776BGRTTT7534**

**Sd/-
(SUMIT DAS)
FCA, DISA(ICAI)
Partner
Membership No. 303776**

Management Reply to the Observations of the Statutory Auditor on the Financial Statements for the F.Y. 2021-22		
Audit Observation	Audit Observation	SSCL Management Reply
QUALIFIED OPINIONS		
1.	2.1 We draw attention to Point No. Q “PRIOR PERIOD EXPENSE” of Notes to Accounts and Significant Accounting Policies where the Company has disclosed expenditure of Rs. 1,65,09,984/- related to Consultancy Services of previous financial years. Year -wise details of the same was not disclosed in such Notes to Accounts.	The entire amount of Rs. 1,65,09,984/- pertains to the F.Y. 2020-21, hence no year wise details were provided.
2.	2.2 No details were provided with respect to Provision for taxation amounting to Rs. 63,17,60/-	The total provision for taxation was made in the following manner: For F.Y. 2020-21 = 5,47,787 F.Y. 2021-22 = 83,973
KEY AUDIT MATTERS		
3.	5 (a) Mobilisation Advance against 100% Bank Guarantee with respect to Rain Water Harvesting Project was released in two instalments dated 03.12.2021 and 10.12.2021. As per the contract, the 2 nd Instalment was to be released after verifying the utilization of the 1 st Instalment which in the given case was absent.	Payment of Mobilisation Advance was based on the basis of secured Bank Guarantee of equivalent value. Hence there was no risk to SSCL. However, the observation is noted and the same shall be followed in accordance with the terms of the contract.
4.	5(b) Measurement Books/ Sheets as produced before us do not have the date columns. Also, such Measurement Books/ Sheets are attached only with Running Bills, thus between two consecutive running bills, there are no underlying periodical records of works being carried out.	Date is in the abstract. Between two running bills there are no underlying documents other than RFI (Request for Inspection).



Glimpses of 'Freedom 2 Walk and Cycle' Event

COMMENTS OF THE C & AG

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SHILLONG SMART CITY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2021

The preparation of financial statements of Shillong Smart City Limited for the year ended 31st March, 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing an opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the auditing 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 3rd January, 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary **audit of the financial statements of Shillong Smart City Limited for the year ended 31st March, 2022.** under section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of 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. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which, in my view, are necessary for enabling for a better understanding of the financial statements and the related audit report:

A. Balance Sheet

1. Non- Current Liabilities

Other Long Term Liabilities (Note 4) - ₹167.90 crore

This includes of ₹4.48 crore, being the interest earned by the Company on Project Grants received from the Government of India (GoI), which was to be remitted to GoI immediately after finalisation of Annual Accounts of the Company as per the GoI

directions (March/ June 2021). Since the Company was required to finalise its Annual Accounts within six months of the end of the financial year (refer Section 96 and Section 129 of the Companies Act, 2013), the above liability should have been classified as 'Current Liability ' (due for payment within 12 months of the Balance Sheet date). Incorrect classification of the above liability has resulted in overstatement of " Current Liabilities- Other Current liabilities" by ₹ 4.48 crore each.

¹ Refer to GoI O.M dated 30th June 2021 which is also mentioned in the Notes to Accounts (Sl. No. H)

2. Current Liabilities

Trade Payables (Noted 5)-₹1.31 crores

This includes Earnest Money of ₹0.92 crore, received from a contractor to confirm a contract agreement, which was refundable on maturity. As per the Companies Act 2013 (refer Schedule III- para5 of the General Instructions for preparation of Balance Sheet), a payable shall be classified as Trade Payable, if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. Since Earnest Money is not in the nature of Trade payable as defined by the Companies Act, it should have been booked under "Other Current Liabilities- Security Deposits." This has resulted in overstatement of "Trade Payables" and understatement of "Other Current Liabilities" by ₹ 0.92 crore each.

1. Non – Current Assets

Long- Term Loans and advances (Note 11): - ₹ 92.48 crore

This included unreleased portion (₹ 68 crores) of the Project Grants- in- Aid of ₹136 crores sanctioned by the GOI during the year, which should have been accounted under " Other current assets" instead of the above head. Wrong classification of the GoI Grant pending to be received by the Company has resulted in overstatement of the above head and understatement of " Other non-current assets" by ₹68 crore each.

B. GENERAL

As per the Companies Act 2013 (*refer Schedule III; para 6 (L)(i) of the General Instructions for preparation of Balance Sheet*), Long Term Loans and Advances shall be classified as (a) Capital Advances; (b) Security Deposits; (c) Loans and Advances to related parties and (d) Other Loans and advances. However, this was not complied with by the Company.

For and on behalf of the Comptroller and Auditor General of India

Sd/-
(Shefali Srivasatava Andaleeb)
Pr. Accountant General (Audit)

Place: Shillong
Date: 02 May 2023

²*Booked under Other Long Term Liabilities (Note 4.1)*

MANAGEMENT REPLY TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SHILLONG SMART CITY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2022

Sl.NO	Proposed Comments	Reply of the management
1	BALANCE SHEET	Reply of the management
	Non- current Liabilities	
	Other Long Term Liabilities (Noted 4)- ₹ 167.90 crore	
	This includes of ₹4.48 crore, being the interest earned by the Company on Project Grants received from the Government of India (GoI), which was to be remitted to GoI immediately after finalisation of Annual Accounts of the Company as per the GoI directions (March/ June 2021). Since the Company was required to finalise its Annual Accounts within six months of the end of the financial year (refer Section 96 and Section 129 of the Companies Act, 2013), the above liability should have been classified as 'Current Liability '(due for payment within 12 months of the Balance Sheet date). Incorrect classification of the above liability has resulted in overstatement of " Current Liabilities- Other Current liabilities" by ₹ 4.48 crore each.	Noted
2	BALANCE SHEET	Noted
	Current Liabilities	
	Trade Payables (Noted 5)-₹1.31 crores	
	This includes Earnest Money of ₹0.92 crore, received from a contractor to confirm a contract agreement, which was refundable on maturity. As per the Companies Act 2013 (refer Schedule III- para5 of the General Instructions for preparation of Balance Sheet), a payable shall be classified as Trade Payable,if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. Since Earnest Money is not in the nature of Trade payable as defined by the Companies Act, it should have been booked under "Other Current Liabilities- Security Deposits." This has resulted in overstatement of "Trade Payables" and understatement of "Other Current Liabilites" by ₹ 0.92 crore each.	
3	BALANCE SHEET	Noted

	<p>Non-Current Assets</p> <p>Long- Term Loans and advances (Note 11): - ₹ 92.48 crore</p> <p>This included unreleased portion (₹ 68 crores) of the Project Grants- in- Aid of ₹136 crores sanctioned by the GOI during the year, which should have been accounted under " Other current assets" instead of the above head. Wrong classification of the GoI Grant pending to be received by the Company has resulted in overstatement of the above head and understatement of " Other non-current assets" by ₹68 crore each.</p> <p>B. GENERAL</p> <p>As per the Companies Act 2013 (refer Schedule III; para 6 (L)(i) of the General Instructions for preparation of Balance Sheet), Long Term Loans and Advances shall be classified as (a) Capital Advances; (b) Security Deposits; (c) Loans and Advances to related parties and (d) Other Loans and advances. However, this was not complied with by the Company.</p>	
--	---	--



Rainwater Harvesting across Shillong City



- Balance Sheet
- Statements of Profit & Loss
- Statement of Cash Flow
- Notes forming part of the Financial Statements for the Year ended 31st March, 2022

SHILLONG SMART CITY LIMITED			
CIN:U93000ML2019SGC013677			
Regt. Off: H/No: C/B- 037, Top Floor, Centre Nongrim Hills, Near JJ Cables, Shillong, East Khasi Hills, Meghalaya-793003			
BALANCE SHEET AS AT MARCH 31, 2022			
Particulars	Note No.	As at March 31, 2022 Rs	As at March 31, 2021 Rs
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	1	1,000,000	1,000,000
b) Reserves and surplus	2	749,197,548	103,457,055
		750,197,548	104,457,055
2 Non-current liabilities			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (net)	3	2,461	-
c) Other long term liabilities	4	1,678,999,740	483,434,623
d) Long-term provisions		-	-
		1,679,002,201	483,434,623
3 Current liabilities			
a) Short-term borrowings		-	-
b) Trade payables		-	-
i) Total outstanding dues of micro enterprises and small enterprises		-	-
ii) Total outstanding dues of creditors other than micro-enterprises and small enterprises	5	13,079,405	3,200,126
c) Other current liabilities	6	17,283,547	22,750,020
d) Short term provisions	7	59,433,099	36,817,343
		89,796,051	62,767,490
TOTAL		2,518,995,800	650,659,167
II ASSETS			
1 Non-current assets			
a) Fixed Assets			
i) Property, plant and equipment	8	4,272,550	4,964,543
ii) Intangible assets	8	768,309	-
iii) Capital work-in-progress	9	553,087,589	61,600,398
b) Deferred Tax Assets (net)	10	-	399,077
c) Non-current investments		-	-
d) Long-term loans and advances	11	924,756,027	66,350,000
e) Other non-current assets	12	256,332	384,499
		1,48,31,40,807	133,698,517
2 Current assets			
a) Inventories		-	-
b) Trade receivables		-	-
c) Cash and cash equivalents	13	1,035,854,993	516,938,149
d) Short term loans and advances		-	22,501
e) Other current assets		-	-
		1,035,854,993	516,960,650
TOTAL		2,518,995,800	650,659,167

See accompanying notes forming part of the 1 to 18 financial statements

In terms of our Audit reports attached
For S S D & Co.
Chartered Accountants
FRN: 0326761E

For and on behalf of the Board of Directors of
Shillong Smart City Limited

Sd/-
Partner: CA SUMIT DAS
ICAI M.No. 303776
UDIN:23303776BCTITTT7534
Place: Shillong
Date:03/01/2023

sd/-
Mr. M.R Syiem
Director
DIN No. 03619409

sd/-
Mr Paul Khongjee
Director (Finance)
DIN No. 09523731

sd/-
Mr. T.V. Rao Krishnamurthy
CEO/Director
DIN No. 00865600

sd/-
Archita Chakraborty
Company Secretary

SHILLONG SMART CITY LIMITED

CTN: U93000ML2019SGC013677

Regd. Off: H/No. C/B- 037, Top Floor, Centre Nongrim Hills, Near JJ Cables, Shillong,
East Khasi Hills, Meghalaya-793003

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No.	For the year ended March 31, 2022 Rs.	For the year ended March 31, 2021 Rs.
i) Revenue from operations		-	-
ii) Other income	14	70,928,285	52,377,847
iii) Total Revenue (i + ii)		70,928,285	52,377,847
iv) Expenses:			
Cost of materials consumed		-	-
Changes in inventories of finished goods and work in progress		-	-
Employee benefits expenses	15	14,020,224	9,490,066
Finance Costs		-	-
Depreciation and amortization expenses	8	1,122,946	892,269
Other expenses	16	39,022,928	36,981,752
Total Expenses		54,166,098	47,364,087
v) Profit before exceptional and extraordinary items and tax		16,762,186	5,013,760
vi) Add: Exceptional items		-	-
vii) Profit before extraordinary items and tax		16,762,186	5,013,760
viii) Less: Extraordinary items - Prior Period Expenses 17	17	16,509,984	-
x) Profit before tax (iii - iv)		252,202	5,013,760
Tax expense:			
- Current tax		83,973	1,686,147
- MAT credit entitlement		-	-
- Deferred tax		(401,538)	367,327
Profit for the year (v - vi)		(233,309)	3,703,940
Profit for the year		(233,309)	3,703,940
Earnings per equity share		(2.33)	37.04
Basic and diluted			

[Nominal value of equity share Rs. 10/- (Previous Year: Rs. 10/-)]

See accompanying notes forming part of the 1 to 18 financial statements

In terms of our Audit reports attached
For SSD & Co.
Chartered Accountants
FRN: 0326761EFor and on behalf of the Board of Directors of
Shillong Smart City Limitedsd/-
Mr. M.R Synnem
Director
DIN No. 03619409sd/-
Mr Paul Khongjee
Director (Finance)
DIN No. 09523731sd/-
Partner: CA SUMIT DAS
ICAI M.No. 303776
UDIN: 23303776BCTTTT7534
Place: Shillong
Date: 03/01/2023sd/-
Mr. T.V. Rao Krishnamurthy
CEO/Director
DIN No. 00865600sd/-
Archita Chakraborty
Company Secretary

SHILLONG SMART CITY LIMITED		
CIN:U93000ML2019SGC013677		
Regt. Off.:H/No. C/B- 037, Top Floor, Centre Nongrim Hills, Near JJ Cables, Shillong, East Khasi Hills, Meghalaya-793003		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022		
Particulars	For the year ended March 31, 2022 Rs.	For the year ended March 31, 2021 Rs.
<u>Cash flow from Operating Activities</u>		
Profit before tax	2,52,202	50,13,760
Adjustments for:		
Depreciation and amortisation expense	11,22,946	8,92,269
Finance costs	-	-
Interest income	(85,69,852)	(84,29,354)
Liabilities / provisions no longer required written back	-	-
Provision for Taxation	-	-
Bad debts written off	-	-
Operating profit before working capital changes	(71,94,704)	(25,23,325)
Changes in the working capital		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	-	-
Short-term loans and advances	22,501	(22,501)
Long-term loans and advances	(17,63,97,656)	(6,63,50,000)
Other current assets	-	-
Other non-current assets	1,28,167	1,28,167
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	98,79,279	(18,79,078)
Other current liabilities	(74,74,844)	(1,81,52,294)
Short-term provisions	2,25,31,785	3,38,78,884
Long-term provisions	-	-
Cash generated from operations	(15,85,05,472)	(5,49,20,147)
Net income tax paid	-	-
(A) Net cash flow from Operating activities	(15,85,05,472)	(5,49,20,147)
Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(11,99,262)	(26,42,103)
(Increase)/ decrease in capital work in progress	(49,14,87,191)	(6,16,00,398)
Purchase of investments	-	-
Interest income(Both on Capital and A&OE Grant)	3,43,10,573	3,18,43,305
(B) Net cash used in investing activities	(45,83,75,880)	(3,23,99,196)

Cash flow from financing activities		
Increase/(Decrease) in Reserve & Surplus	-	
Increase/(Decrease) in Other Long Term Liabilities	-	
Proceeds from/ (Repayment of) short term Govt Grant (A&OE) (net)	-	2,00,00,000
Dividends and tax on dividend paid	-	-
Share Capital (A & OE)	-	-
Project Grant utilised for A & O E purposes transferred to Project Fund	2,37,01,316	
Project Grant utilisation for A & O E purposes	(1,79,03,120)	(2,37,01,316)
Proceeds/Repayment of long term Govt. Grant (net)	1,13,00,00,000	8,00,00,000
(C) Net cash used in financing activities	1,13,57,98,197	7,62,98,684
Net increase/(decrease) in cash and cash equivalents(A+B +C)	51,89,16,844	(1,10,20,659)
Cash and cash equivalents at beginning of financial year	51,69,38,149	52,79,58,807
Cash and cash equivalents at end of financial year	1,03,58,54,993	51,69,38,149
See accompanying notes forming part of the financial statements 1 to 18		
In terms of our Audit Report attached For S S D & Co. Chartered Accountants FRN: 0326761E	For and on behalf of the Board of Directors of Shillong Smart City Limited	
Sd/-	Sd/-	
Partner: CA SUMIT DAS	Mr. M. R. Synrem	Mr. Paul Khongjee
ICAI M.No. 303776	Director	Director (Finance)
UDIN: 23303776BCTITTT7534	DIN No. 03619409	DIN No.09523731
	Sd/-	Sd/-
	Mr. T. V. Rao Krishnamurthy	Archita Chakraborty
Place: Shillong	CEO/Director	Company Secretary
Date: 03-01-2023	DIN No. 00865600	

SHILLONG SMART CITY LIMITED					
CIN:U93000ML2019SGC013677					
Regt. Off.:H/No. C/B- 037, Top Floor, Centre Nongrim Hills, Near JJ Cables, Shillong, East Khasi Hills, Meghalaya-793003					
<u>Notes forming part of the Financial Statements for the year ended March 31, 2022</u>					
1 SHARE CAPITAL					
PARTICULARS	As at March 31, 2022		As at March 31, 2021		
	Number	Rs.	Number	Rs.	
Authorised Share Capital					
Equity Shares of Rs. 10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000	
	10,00,000	1,00,00,000	10,00,000	1,00,00,000	
Issued, subscribed and fully Paid-up					
Equity Shares of Rs. 10 each	1,00,000	10,00,000	1,00,000	10,00,000	
Total	1,00,000	10,00,000	1,00,000	10,00,000	
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period					
Equity shares					
	As at March 31, 2022		As at March 31, 2021		
	Number	Rs.	Number	Rs.	
At the beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000	
Add: Issued during the year	-	-	-	-	
Outstanding at the end of the year	1,00,000	10,00,000	1,00,000	10,00,000	
b. Terms/ rights attached to equity shares					
(i) The Company has one class of shares referred to as Equity Shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.					
(ii) During the year ended March 31, 2021, the Company has not proposed and declared any amount of dividend to equity shareholders. Hence, there is no dividend.					
(iii) The Company is a Public Limited Co. It is a Special Purpose Vehicle (SPV) created for management of Smart City Mission project of the Ministry of Housing & Urban Affairs of Government of India. The Shareholders of the Company are representatives of Government of Meghalaya and the Urban Affairs Department of the Govt of Meghalaya.					
(iv) In the event of liquidation of the Company, the beneficiaries of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.					
c. There is no holding or ultimate holding company of the Company.					
d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:					
Issued & Subscribed Share Capital includes NIL (previous year NIL) equity shares which were allotted as bonus shares in the preceding five financial years by capitalisation of General Reserve and Surplus. No shares were issued for consideration other than cash and no shares have been bought back during the period of five years immediately preceding the reporting date.					
e. Detail of shareholders holding more than 5% shares in the Company					
Name of the Shareholders	Represented By	As at March 31, 2022		As at March 31, 2021	
		Number	% shareholding	Number	% shareholding
Government of Meghalaya	Chief Secretary, Govt. of Meghalaya	49,900	49.90	49,900	49.90
Urban Affairs Dept. Govt. of Meghalaya	Senior most Secretary, Urban Affair Dept.	49,900	49.90	49,900	49.90
Urban Affairs Dept. Govt. of Meghalaya	Director, Urban Affair Dept.	160	0.16	160	0.16
Urban Affairs Dept. Govt. of Meghalaya	Architech, Urban Affair Dept.	10	0.01	10	0.01
Urban Affairs Dept. Govt. of Meghalaya	Chief Finance and Accounts Officer, Urban Affair Dept.	10	0.01	10	0.01
Urban Affairs Dept. Govt. of Meghalaya	Asstt. Urban Planner, Urban Affair Dept.	10	0.01	10	0.01
Urban Affairs Dept. Govt. of Meghalaya	Executive Engineer, EKH, Urban Affair Dept.	10	0.01	10	0.01
		1,00,000	100	1,00,000	100
Note: Equity shares of the Company are held by the above mentioned persons in their representative capacity of the Government of Meghalaya and Urban Affair Department of the Government of Meghalaya.					

2 RESERVES AND SURPLUS			
PARTICULARS	As at March 31, 2022		As at March 31, 2021
		Rs.	Rs.
Capital reserves			
a) Project Fund			
Opening Balance	9,99,72,865		-
Add: Transferred from Projects Fund to the extent of Project Fund Utilisation filed with Govt.	64,59,73,801		9,99,72,864
Add: Transferred from Profit & Loss Account	-		-
Less: Reduction with the total Cost of Capital Projects completed & transferred	-		-
		<u>74,59,46,666</u>	<u>9,99,72,864</u>
b) Other capital reserve			
Capital Reserve Created for Nominal Value of Fixed Assets purchased under Provisional Sum		1	1
Closing Balance		<u>74,59,46,667</u>	<u>9,99,72,865</u>
Surplus i.e. Balance in the Statement of Profit and Loss			
Balance as per the last financial statements	34,84,190		(2,19,750)
Add: Profit/(Loss) for the year transferred from Statement of Profit and Loss	(2,33,309)		37,03,940
Less: Appropriations	-		-
-Amount transferred to General Reserve	-		-
Total Appropriations	-		-
Net Surplus/(Deficit)		<u>32,50,881</u>	<u>34,84,190</u>
Total Reserves and Surplus		<u>74,91,97,548</u>	<u>10,34,57,055</u>
3 DEFERRED TAX LIABILITIES (NET)			
PARTICULARS	As at March 31, 2022		As at March 31, 2021
		Rs.	Rs.
Tax effect of items constituting deferred tax liabilities			
On difference between book balance and tax balance of fixed assets		1,14,984	-
Gross deferred tax liability		<u>1,14,984</u>	<u>-</u>
Tax effect of items constituting deferred tax assets			
Provision for leave encashment and gratuity		1,12,523	-
Provision for doubtful receivables and advances		-	-
Timing difference u/s 43B of the Income Tax Act,1961		-	-
Timing difference on unabsorbed depreciation carried forward		-	-
Gross deferred tax asset		<u>1,12,523</u>	<u>-</u>
Net Deferred Tax Liability		<u>2,461</u>	<u>-</u>

4 OTHER LONG TERM LIABILITIES			
PARTICULARS	As at March 31, 2022 Rs.	As at March 31, 2021 Rs.	
4.1. Grant from GOI			
Opening Balance	37,63,25,820	50,00,00,000	-
Add: Received During the Year			
-Grant-Project Fund	1,36,00,00,000	-	-
Less: Project Grant utilised during the Fin. Year towards Capital Projects by transferring the Fund to Capital Reserve A/c	37,29,86,901	9,99,72,864	-
Add: Transfer of A&OE Fund to Project Fund	2,37,01,316		
Less: Transfer of Project Fund for A & O E purpose	68,06,403	2,37,01,316	-
	1,38,02,33,833		37,63,25,820
4.2. Grant from State Government			
Opening Balance	8,00,00,000	-	
Add: Received During the Year			
-Grant-Project Fund	45,00,00,000	8,00,00,000	
Less: Project Grant utilised during the Fin. Year towards Capital Projects by transferring the Fund to Capital Reserve A/c	27,29,86,901	-	
Less: Transfer of Project Fund for A & O E purpose	1,10,96,717	-	
	24,59,16,383		8,00,00,000
4.3. Interest earned on Project Fund from GOI & State Government			
Opening Balance	2,71,08,803	36,94,852	
Add: Interest received from Bank during the fin. Year	3,43,10,573	2,94,11,787	
Less: Interest Income transferred to P&L A/c to extent of Project Fund utilized	85,69,852	59,97,836	
Less: Interest earned from GOI of Project fund transferred to SI No. 4.4	4,47,81,137	-	
	80,68,387		2,71,08,803
4.4. Interest earned on Project & A&OE fund from GOI to be refunded			
Opening Balance	-	-	
Add: Interest earned from GOI of Project Fund transferred from SI No. 4.3	4,47,81,137	-	
	4,47,81,137		-
	4.1+4.2+4.3+4.4	1,67,89,99,740	48,34,34,623
5 TRADE PAYABLES			
PARTICULARS	As at March 31, 2022 Rs.	As at March 31, 2021 Rs.	
Trade Payables			
i) Total outstanding dues of micro and small enterprises	-	-	
ii) Total outstanding dues of creditors other than micro and small enterprises			
IPE Global Ltd.	34,20,067	31,86,550	
Margret Warbah	-	595	
Palмира Nongbet	-	595	
Ranger Security & Services Organisations	-	2,741	
Earnest Money	92,00,000	-	
United Food Centre	-	485	
United Sales and Supplies	21,158	4,660	
Mr. Jwatbor S Cajee	-	4,500	
M/s Spectrum	4,22,500	-	
City Syte N Fosys	15,680	-	32,00,126
	1,30,79,405		32,00,126
6 OTHER CURRENT LIABILITIES			
PARTICULARS	As at March 31, 2022 Rs.	As at March 31, 2021 Rs.	
Security Deposits (Security retention money withheld from Contractors Bills as per the terms & conditions of the Tender Agreements)	1,52,75,176		27,50,020
EMD Deposits	-		-
A A & O E Grant Received from GOI			
Opening Balance	-	1,92,16,167	
Add: A&OE Grant Received During the Year	5,00,00,000		
Add: Amount received from MUDA for Equity Share Capital of the Company	-	10,00,000	
Add: Project Fund transferred for A & O E purpose	68,06,403	2,37,01,316	
Less: A & OE Fund transferred to Project Fund	2,37,01,316	-	
Less: Grant Amount transferred during the Year to P&L A/s for A & O E Purposes	3,10,96,716	4,39,17,483	
	20,08,371		-
B A & O E Grant Received from State Government			
Opening Balance	2,00,00,000		
Add: A&OE Grant Received During the Year	-	2,00,00,000	
Add: Project Fund transferred for A & O E purpose	1,10,96,717	-	
Less: Grant Amount transferred during the Year to P&L A/s for A & O E Purposes	3,10,96,717	-	2,00,00,000
Total A+B	1,72,83,547		2,27,50,020

* During the Fin .Year, Interest earned on A & O E grant has been tranferred to Profit & Loss A/c and shown in the "Other Income"

7 SHORT TERM PROVISIONS		As at March 31, 2022	As at March 31, 2021
PARTICULARS		Rs.	Rs.
Duties & Taxes			
GST-TDS Payable			
CGST Payable	9,78,204		2,45,741
SGST Payable	9,78,208	19,56,412	2,45,741
GST-RCM Payable			
CGST Payable	37,370		26,682
SGST Payable	37,370	74,740	26,682
TDS Payable		18,43,701	9,95,384
Labour Cess @ 1% on Contractor's Bill		6,74,032	2,35,771
Forest Royalty on Contractor's Bill		14,64,401	2,00,075
Professional Tax		37,500	22,500
Provision for Taxation (Net of advance tax of Rs.)	6,31,760		16,86,147
Less: MAT credit utilised	-	6,31,760	-
Other provisions for Expenses:			
Audit Fee payable	-Statutory Audit Fee for 2021-22	17,700	17,700
	-Internal Audit Fee for 2021-22	53,100	48,600
Salary Payable		5,23,799	7,82,799
Stipend Payable to TULIP Interns		-	27,000
Provision for Leave Encashment		4,32,780	3,81,370
ROC fees Payable		8,900	-
Car Hire Charges		1,52,776	94,090
Cleaning Exp.		9,096	7,800
Electricity Exp. Payable		1,766	2,980
Internet Charges		4,060	4,077
Interest on TDS		43,860	-
Man Power Hiring Charges		2,14,203	1,17,112
Provision made on Project Management Consultants(IPE Global Ltd) Bills		1,67,43,686	76,61,919
Provision made for Contractor's Bills of Capital Projects		3,36,70,869	2,38,48,586
Office Chowkidar		10,496	-
Office expenses payable		6,844	-
Computer Repairs & Maintenance		12,288	-
Telephone expenses payable		388	-
Travelling expenses payable		3,000	-
Advertisement Expenses payable		7,03,500	-
Office Rent		1,37,442	1,38,588
		5,94,33,099	3,68,17,343
FIXED ASSETS			
PARTICULARS		As at March 31, 2022	As at March 31, 2021
		Rs.	Rs.
8 PROPERTY, PLANT AND EQUIPMENT			
As per Annexure Note 8 Attached		50,40,859	49,64,543
		50,40,859	49,64,543
9 CAPITAL WORK-IN-PROGRESS (Smart City Mission Projects)			
PARTICULARS		As at March 31, 2022	As at March 31, 2021
		Rs.	Rs.
9.1 Project Name			
Construction of Commercial Complex, Polo, Shillong			
Opening balance			6,16,00,398
Add: Work done during the year	6,16,00,398		
less: Amount recovered from the Contractors	17,41,17,840	23,57,18,238	6,16,00,398
9.2 Project Name			
Construction of Redevelopment of Municipal Market, Laitumkrah, Shillong			
Opening balance			
Add: Work done during the year	7,19,33,869		
less: Amount recovered from the Contractors		7,19,33,869	
9.3 Project Name			
Construction of Rainwater Harvesting at various locations in Shillong			
Opening balance			
Add: Work done during the year	4,37,76,048		
less: Amount recovered from the Contractors		4,37,76,048	
9.4 Project Name			
Construction of Business Cum Tourism and Cultural Centre (MTC) in Shillong			
Opening balance			
Add: Work done during the year	20,00,00,000		
less: Amount recovered from the Contractors		20,00,00,000	
9.5 Project Name			
Implementation of Integrated Command Control Centre (ICCC)			
Opening balance			
Add: Work done during the year	16,59,434		
less: Amount recovered from the Contractors		16,59,434	
	9.1+9.2+9.3+9.4+9.5	55,30,87,589	6,16,00,398

10 DEFERRED TAX ASSETS (NET)			
PARTICULARS		As at March 31, 2022	As at March 31, 2021
		Rs.	Rs.
Tax effect of items constituting deferred tax liabilities			
On difference between book balance and tax balance of fixed assets		-	1,20,144
Gross deferred tax liability		-	1,20,144
Tax effect of items constituting deferred tax assets			
On difference between book balance and tax balance of fixed assets		-	-
Provision for leave encashment and gratuity		-	99,156
Provision for doubtful receivables and advances		-	-
Timing difference u/s 43B of the Income Tax Act, 1961		-	-
Timing difference on unabsorbed depreciation carried forward		-	-
Timing difference on disallowances u/s 40(i)(ia) of the Income Tax Act, 1961		-	4,20,065
Gross deferred tax asset		-	5,19,221
Net Deferred Tax Assets		-	3,99,077
11 LONG-TERM LOANS AND ADVANCES (unsecured, considered good, unless otherwise stated)			
PARTICULARS		As at March 31, 2022	As at March 31, 2021
		Rs.	Rs.
*Mobilisation Advance to Contractors			
Opening Balance	6,63,50,000	-	-
Add: Advance given during the Year	1,18,00,000	6,63,50,000	6,63,50,000
less: Amount recovered from the Contractors	1,72,96,286	-	-
		6,08,53,714	6,63,50,000
Material Advance to Contractors			
Opening Balance	-	-	-
Add: Advance given during the Year	2,91,26,968	-	-
less: Amount recovered from the Contractors	-	2,91,26,968	-
		2,91,26,968	-
Advance paid towards shifting of utilities for 6km road project to:			
Shillong Municipal Board	6,44,45,940	-	-
PHE	5,59,75,000	-	-
MePDCL	3,23,46,034	15,27,66,974	-
		15,27,66,974	-
Grant Receivable from Govt. of India:			
A&OE	20,08,371	-	-
Project Fund	68,00,00,000	68,20,08,371	-
		68,20,08,371	-
(refer to Note no. 'F' of Notes to Accounts)		92,47,56,027	6,63,50,000
*Mobilisation advance has been secured against equal amount of Bank Guarantee submitted by the Contractors in favour of the Company			
12 OTHER NON CURRENT ASSETS			
PARTICULARS		As at March 31, 2022	As at March 31, 2021
		Rs.	Rs.
SPV Incorporation Expense	3,84,499	-	5,12,666
Less: Current Year 1/5th portion transferred to P&L A/c	1,28,167	2,56,332	1,28,167
		2,56,332	3,84,499
13 CASH AND CASH EQUIVALENTS			
PARTICULARS		As at March 31, 2022	As at March 31, 2021
		Rs.	Rs.
Cash and cash equivalents			
Balances with banks			
S/b Bank Account with Bandhan Bank A/c 50190027450635		1,03,57,85,791	51,69,35,356
CA Bank Account with State Bank Of India A/c 40159269189		67,469	-
Cash on hand		1,733	2,793
Fixed Deposits		-	-
		1,03,58,54,993	51,69,38,149
14 OTHER INCOME			
PARTICULARS		For the year ended	For the year ended
		As at March 31, 2022	As at March 31, 2021
		Rs.	Rs.
A & O E Income			
A & OE Grant Received from Govt. utilised for A & O E Purpose		6,21,93,433	4,39,17,483
Tender Fees Received from Bidders		1,65,000	30,000
Interest Income Earned on A & O E Grant		-	24,31,518
*Interest Income Earned on Project Fund		85,69,852	59,97,836
(refer to Note no. 'G' of Notes to Accounts)			
Miscellaneous income		-	1,010
		7,09,28,285	5,23,77,847
*(Interest earned on Project Fund and A&OE fund to be transferred to the Government as per the office memorandum dated 30th June 2021)			

15 EMPLOYEE BENEFITS EXPENSES			
PARTICULARS		For the year ended As at March 31, 2022	For the year ended As at March 31, 2021
		Rs.	Rs.
	Staff Salary including Key Managerial Salary	1,34,47,331	88,91,821
	Stipend to TULIP Interns	1,50,300	2,16,875
	Leave Encashment Exp.	4,22,593	3,81,370
		1,40,20,224	94,90,066
8 DEPRECIATION AND AMORTIZATION EXPENSES			
PARTICULARS		For the year ended As at March 31, 2022	For the year ended As at March 31, 2021
		Rs.	Rs.
	Depreciation on property, plant and equipment (As per Annexure Attached)	11,22,946	8,92,269
		11,22,946	8,92,269
16 OTHER EXPENSES			
PARTICULARS		For the year ended As at March 31, 2022	For the year ended As at March 31, 2021
		Rs.	Rs.
16 (a) OTHER EXPENSES			-
	Accounting and Retainership Charges	-	15,47,000
	Advertisement and Smart City Campaign Exp.	18,23,053	34,16,412
	Car Hiring Charges	11,92,740	11,71,282
	Office Cleaning Exp.	1,31,720	93,600
	Contractor for Staff Hiring Exp.	22,60,565	17,18,449
	Consultancy Service Expense		2,65,93,526
	-Project Management Consultancy Fees	3,07,79,839	
	Telephone & Courier	3,604	-
	Director Sitting Fee	17,700	20,000
	Electricity Charges	37,432	18,142
	Interest & Penalty	2,28,328	24,013
	Internet Expense	49,560	49,560
	Internal Audit Fee	53,100	53,100
	Meetings & Workshop Expense	5,552	6,337
	Office Rent	17,96,696	17,97,888
	Office Expense	60,357	46,806
	Postage and Courier Charges	1,815	2,496
	Repairs & Maintenance	87,425	45,761
	Rates & Taxes	2,800	10,500
	Statutory Auditor's remuneration	17,700	20,400
	Tour & Travelling Expense	1,23,789	1,26,953
	Bank Charges	1,684	-
	Printing & Stationary Exp.	78,632	89,950
	Azadi ka Amrit Mahautsav Event	1,15,270	-
	Miscellaneous Expenses	25,401	1,411
	Total 16(a)	3,88,94,762	3,68,53,586
16 (b) OTHER EXPENSES-PRE-OPERATING EXP.			
	1/5 th of Pre-Incorporation Exp. Written off	1,28,166	1,28,166
	Total 16(b)	1,28,166	1,28,166
	Total 16(a) + 16(b)	3,90,22,928	3,69,81,752
17 PRIOR PERIOD EXPENSES			
PARTICULARS		For the year ended As at March 31, 2022	For the year ended As at March 31, 2021
		Rs.	Rs.
	Consultancy Services Expense	1,65,09,984	-
		1,65,09,984	-

SHILLONG SMART CITY LIMITED

Notes forming part of the Draft Financial Statements for the year ended March 31, 2022

8. Property, plant and equipment

Particulars	Original Cost				Depreciation				Net Book Value	
	As at April 1, 2021	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 1, 2021	For the year	Deductions/ adjustment during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Tangible Assets:										
Furniture and fixtures	2243034	0	0	2243034	236020	213088	0	449108	1793926	2007014
Office equipment	681222	136000	0	817222	136263	133390	0	269653	547569	544959
Electrical Equipments & Fittings	142330	0	0	142330	14447	13521	0	27968	114362	127883
Computers & Laptops	911827	618808	0	1530635	263353.1768	280181	0	543534.1768	987100.8232	648473.8232
Fixed Assets with PMC	1341074.57	0	0	1341074.57	214221.2652	297261	0	511482.2652	829592.3048	1126853.305
Intangible Assets:										
Computer Software	623821.958	444454	0	1068275.958	114461.7488	185505	0	299966.7488	768309.2092	509360.2092
Total	5943309.528	1199262	0	7142571.528	978766.1908	1122946	0	2101712.191	5040859.337	4964543.337
Previous Year	3301207	2642102.528	0	5943309.528	86498	892269	0	978766	4964542.528	3214709

Shillong Smart City Limited														
Depreciation as per section 32 of the Income Tax Act, 1961 for F.Y.2021-22														
Block of assets	Assets with PMC		Rate of Dep.	Opening WDV	Additions to fixed assets				Deletions	Total as on 31.03.2022	Depreciation on the assets			WDV on 31.03.2022
					More than 180 Days		Less than 180 Days				Dep. on Opening WDV & Add. 180 days or more	Dep. On Less than 180 days	Total	
					Assets with SSCL	Assets with PMC	Assets with SSCL	Assets with PMC						
Computer & Software		Computer Software	40%	1,27,222	-	-	65,216		-	1,92,438	50,889	13,043	63,932	1,28,506
Computer & Software	PMC	Computer Software	40%	2,83,546	-	-		3,79,238	-	6,62,784	1,13,418	75,848	1,89,266	4,73,518
Computer & Software		Desktop	40%	1,74,133	-		3,39,600		-	5,13,733	69,653	67,920	1,37,573	3,76,160
Computer & Software		Laptop	40%	2,78,907	-				-	2,78,907	1,11,563	-	1,11,563	1,67,344
Computer & Software	PMC	Laptop	40%	3,76,902		-				3,76,902	1,50,761	-	1,50,761	2,26,141
Computer & Software		Internet Server	40%	47,105	-		2,79,208		-	3,26,313	18,842	55,842	74,684	2,51,629
Computer & Software		Pendrive	40%	4,978	-				-	4,978	1,991	-	1,991	2,987
Computer & Software	PMC	Pendrive	40%	4,080		-			-	4,080	1,632	-	1,632	2,448
Furniture & Fixture		Furniture and Fixture	10%	17,27,495	-				-	17,27,495	1,72,750	-	1,72,750	15,54,746
Furniture & Fixture		Furniture and Fixture	10%	1,94,589	-				-	1,94,589	19,459	-	19,459	1,75,130
Furniture & Fixture	PMC	Furniture and Fixture	10%	3,43,004						3,43,004	34,300	-	34,300	3,08,704
Furniture & Fixture		Electric Fitting	10%	1,21,692	-				-	1,21,692	12,169	-	12,169	1,09,523
Plant & Machinery		Ro System	15%	8,798	-				-	8,798	1,320	-	1,320	7,479
Plant & Machinery		T.V	15%	55,030	-				-	55,030	8,254	-	8,254	46,775
Plant & Machinery		T.V. Cabinet	15%	16,575	-				-	16,575	2,486	-	2,486	14,089
Plant & Machinery		Sensor Sanitiser Machine	15%	6,035	-				-	6,035	905	-	905	5,130
Plant & Machinery		Room Heater	15%	3,664	-				-	3,664	550	-	550	3,114
Plant & Machinery		Room Heater	15%	30,507	-		57,000		-	87,507	4,576	4,275	8,851	78,656
Plant & Machinery		UPS & Battery	15%	2,42,644	-				-	2,42,644	36,397	-	36,397	2,06,248
Plant & Machinery		Photocopy Machine	15%	62,014	-				-	62,014	9,302	-	9,302	52,712
Plant & Machinery		Printer	15%	40,252	-		79,000		-	1,19,252	6,038	5,925	11,963	1,07,289
Plant & Machinery	PMC	Printer	15%	2,68,984	-				-	2,68,984	40,348	-	40,348	2,28,636
Plant & Machinery		Mobile Phone-CEO	15%	14,874	-				-	14,874	2,231	-	2,231	12,643
Plant & Machinery		Air Purifier-AC250+	15%	65,490	-				-	65,490	9,824	-	9,824	55,667
Plant & Machinery		Stabilizer	15%	3,931	-				-	3,931	590	-	590	3,342
Total				45,02,451	-	-	8,20,024	3,79,238	-	57,01,713	8,80,247	2,22,853	11,03,100	45,98,613
Previous Year				35,10,841	7,87,176	8,33,370	1,15,970	4,54,454	-	57,01,811	11,05,855	68,852	11,99,360	45,02,451



Commercial Complex, Polo

SHILLONG SMART CITY LTD

U93000ML2019SGC013677

**Regd. Off.: H/No. C/B- 037, Top Floor, Centre Nongrim Hills Near JJ Cables,
Shillong East Khasi Hills Meghalaya 793003**

NOTE 18 - NOTES TO ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

BACKGROUND

The **SHILLONG SMART CITY LTD, SHILLONG** (“SSCL” or “the Company”) is a Public Limited Company incorporated under the COMPANIES ACT, 2013 on the day Tuesday, 22nd of January 2019 and it is a Government Company with the objectives to plan, design, develop, implement, finance, operate and monitor the Smart City Development Projects of the **Shillong City** in accordance with Smart City Mission of the Government of India and it works as a Special Purpose Vehicle (SPV).

ACCOUNTING OF SSCL

Pursuant to the section 128(1) of the Companies Act, 2013 the following Cumulative conditions are followed by the **Shillong Smart City Ltd., Shillong** for maintenance of books of accounts of the Company.

- A. Books of accounts of the company presented a true and fair view of the state of the affairs of the Company;
- B. Books of accounts of the company are kept on accrual basis and according to double entry system of Accounting;
- C. All books of accounts of the company are maintained in electronic mode;
- D. Pursuant the provision of section 128 (5) the Act, the company has an obligation to maintain books of accounts for not less than eight years immediately preceding the current year.

FINANCIAL YEAR

In General, the Financial Year of the company begin from 1st of April and ended on 31st March i.e. 1st April-2021 to 31st March, 2022 except in the year of incorporation of the Company. However, the SSCL was incorporated on 22nd of January, 2019 and pursuant to the Section 2(41) of the Companies Act, 2013 and other relevant provision applicable, the SSCL had adopted the option of 15 Months Financial Year and accordingly, its first Financial Year is ended on 31st March, 2020 instead of 31st March, 2019.

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

a) **Basis of Accounting:** The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act 2013 read with the Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on accrual basis under the historical cost convention.

b) **Basis of presentation:** The Balance Sheet and the Statement of Profit and Loss, including related notes, are prepared, and presented as per the requirements of Schedule III to the Act. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) - 3 "Cash Flow Statements".

B. USE OF ESTIMATES-

The preparation of financial statements in conformity with Indian GAAP requires management to make assumptions, critical judgments and estimates, which it believes are reasonable under the circumstances, that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. While making the estimates the

management has considered the adequate level of prudence and reasonableness of the circumstance and continuously.

evaluates all its estimates and judgements based on available information. The Actual results may differ from those estimates and difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

C. PROPERTY PLANT & EQUIPMENT

The Property, plant and equipment held for use or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any duties, and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

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

During the Financial Year, the Company has not acquired any immovable property.

During the FY 2021-22, Computer Software amounting to ₹5,09,360/- for F.Y 2020-21 has been transferred to Intangible Assets as directed by AG (Audit).

D. DEPRECIATION AND AMORTIZATION

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost. Depreciation on Property Plant and Equipment has been provided on the Straight-Line Method considering the useful life of the Assets prescribed in Schedule II of the

Companies Act,2013 (Refers Note-8) whereas the depreciation as per Income tax Act charged by applying Block of Assets method as per section 32 of Income tax Act 1961.

E. CAPITAL WORK IN PROGRESS:

Projects under development which are not yet ready for their intended use are carried at cost comprising direct cost attributable to the projects and other related incidental capital expenditure. Cost of under development Projects as on dated of 31st March are accounted for under capital work in progress (CWIP).

However, the SSCL has planned numerous capital infrastructure projects for Shillong city aligned with the Smart City Mission and for that the Company has appointed a project management consultant who consult and work as extended arm of the Company in planning, bidding, tendering, implementation, monitoring and supervision of the projects.

On Completion of project, the Company after receiving the completion certificate from appropriate authority, capitalise the entire project associated cost with the project grant received from the Government of India.

Details of Capital Work-in-Progress

S.No.	Project Name	Total Estimated Cost	Amount Paid
1	Construction of Commercial Complex of Polo, Shillong	₹75,00,00,000 (Exclusive of GST)	₹23,57,18,238
2	Construction of Redevelopment of Municipal Market, Laitumkhrah, Shillong	₹28,84,62,139/- (Inclusive of GST)	₹7,19,33,869
3	Construction of Rainwater Harvesting at various location in Shillong	₹23,65,00,000/- (Exclusive of GST)	₹4,37,76,048
4	Construction of Business Cum Tourism and Cultural Centre (MTC) in Shillong	₹90,00,00,000/- (Inclusive of GST)	₹ 20,00,00,000
5	Implementation of Integrated Command Control Centre (ICCC)	₹188,38,28,700/- (Inclusive of GST)	₹ 16,59,434
		Total	₹55,30,87,589

For advances given to the contractor/suppliers for the projects under construction/development, the company showing it as loan and advances given to contractors/suppliers until it recovered from the contractor's/ supplier's bills.

F. LONG TERM LOANS ADVANCES:

During the year under consideration, the Company has provided the interest free mobilisation advance and material advance to the Contractor as per the terms & conditions of tender against the full security of unconditional Bank Guarantee in favour of the Company received from the Contractors and estimation of materials submitted by the Contractor. The Advance given to the Contractors shall be recovered from the Contractor's running bill in accordance to the terms and conditions of the tender/Contract Agreement.

Details of Mobilisation Advance provided to the Contractor during the Fin. Year.

S.No.	Project Name	Total Estimated Cost (Excl. GST)	Percentage of Total Project Cost	Amount Paid
1	Construction of Rainwater Harvesting at various location in Shillong	₹23,65,00,000	5%	₹1,18,00,000
		Total		1,18,00,000

Details of Material Advance provided to the Contractor during the Fin. Year.

S.No.	Project Name	Total Estimated Cost	Percentage	Amount Paid
1	Construction of Redevelopment of Municipal Market, Laitumkrah, Shillong	₹28,84,62,139/- (Inclusive of GST)	60% of the materials purchased	₹2,91,26,968
		Total		₹2,91,26,968

G. REVENUE RECOGNITION

Revenue is recognized on accrual basis of accounting after all the stipulated conditions of the Accounting Standard "Revenue Recognition" satisfied.

H. OTHER INCOME

i) Interest Income is recognised on time proportion based on the rate of Interest as applicable on deposit of funds with Bank and Interest income is accounted for on accrual basis or on its receipt (whichever is earlier) from the Bank.

The Company followed the Accounting Standard “Accounting of Investment”. Hence Interest earned on Project Fund is credited into the project grant until it is utilised for the Smart City Mission Projects and Interest earned on A & O E Grant is treated as income and credited into profit and loss account of the year.

During the Financial Year 2021-22 the Govt. of India has issued an office memorandum dated 30th June 2021 that the Single Nodal Agency (SNA) of each Centrally Sponsored Scheme (CSS) in the State shall compute the total interest earned out of the funds received in its account both from the Central Govt. and State Govt. The Interest earned will be apportioned by the SNA between the Central and the State Government as per approved funding pattern of the CSS and shall be deposited in the respective Consolidated Funds.

Therefore, balance of Interest income earned till FY 2020-21 under Central Share amounts to ₹2,71,08,803/- and Interest income earned during the Financial Year 2021-22 from both the Project Fund and A&OE Fund amounts to ₹3,43,10,573/- which constitutes of Central share amounting to ₹1,76,72,334/- and State share amounting to ₹1,66,38,239/-. The Interest amounts earned from Central Share up to Financial Year 2021-22 is ₹4,47,81,137/- which has been shown at Note No. 4.4 and the same was transferred to the respective Consolidated Funds on 12th July 2022 through RTGS. The interest apportioned calculation for FY 2021-22 is mentioned below:

Interest Income earned during the financial year 2021-22

Fund Details	Grant Received from	Grant -in - Aid till 31 st March 2022 (₹)	Utilized Amount till 31 st March 2022 (₹)	Interest Income for FY 2021-22 (₹)
Project Fund	Govt. of India	1,18,00,00,000	47,29,59,765	1,29,90,004
A & O E Fund	Govt. of India	9,89,91,629	7,50,14,200	46,82,330
Project Fund	Govt. of Meghalaya	53,00,00,000	27,29,86,901	1,66,38,239
A & O E Fund	Govt. of Meghalaya	2,00,00,000	3,10,96,717	-
		Total Interest Income Earned		3,43,10,573

Details of Interest Income reported in the Profit & Loss Account for current Financial Year.

Interest earned on Projects Fund from GOM transferred to Profit & Loss A/c to the extent of Project Fund utilized during the Year

Interest Period	Utilisation Date	Particulars	Utilised Amount	Interest Income T/f to P&L A/c
2021-22	1st April 2021 to 31st March 2022	Apportionment of Interest income	27,29,86,901	85,69,852
		Total Interest t/f to P&L A/c		85,69,852

ii) Other income recognised on receipt basis.

I. GOVERNMENT GRANTS

Grants from the Governments are recognised when there is reasonable assurance that the Company would comply with the conditions attached with them and the grant/subsidy would be received.

J. REVENUE GRANTS

The Government grants for Administrative and Other Expenses i.e. A & O E is recognized systematically in the Statement of Profit and Loss A/c over the periods necessary to match with the related expenditures which they are intended to compensate. The grant is recognised as deferred revenue grant under ‘**Other Current Liability**’ in the Balance Sheet and transferred to Profit & Loss A/c on systematically over the period.

Particulars of Grants	Received from Govt.	Fund Received till FY 2021-22	Utilisation of A&OE Fund till FY 2021-22
A & O E Fund	Central Government	₹9,79,91,629	₹9,79,91,630
Project Fund	Central Government	₹1,18,00,00,000	₹68,06,403
A & O E Fund	Government of Meghalaya	₹2,00,00,000	₹2,00,00,000
Project Fund	Government of Meghalaya	₹53,00,00,000	₹1,10,96,717
		Total	₹13,58,94,750

**Note: During the Fin. Year, the SSCL utilised the project fund for A & O E purpose which will be compensated with next tranche of A & O E fund receive from the Government of India.

K. CAPITAL GRANTS

Capital Grant i.e. Project Fund received from Governments is held for utilisation towards Capital Projects planned under Smart City Mission and shown as Other Long- Term Liabilities in the Balance Sheet.

However, the SSCL has planned numerous capital infrastructure projects for Shillong City aligned with the Smart City Mission that will be financed through the Project Funds. The Company also envisaged that some of the capital projects would be revenue generative well as some of them non-revenue generative projects for the company.

Separate accounting policies have been adopted for each category as follow:

For Revenue Generative Capital Projects

The cost of capital projects under construction/development are shown under the head of Capital Work-in-Progress in the Balance sheet and the corresponding amount of Project Fund to the extent of utilisation filed with the Government has been transferred to the Capital reserve Account.

On Completion of revenue generative projects, the Company after receiving the completion certificate from appropriate authority, capitalise the entire project associated cost with the project grant received from the Governments to the Property Plant & Equipment.

During the Fin. Year, the capital reserve has been created to the extent of the Project Grant utilised towards the Projects.

Particulars of Grants	Received from Govt.	Amount received till FY 2021-22	Utilisation of Project Fund till FY-2021-22
Project Fund	Central Government	118,00,00,000	47,29,59,765
Project Fund	Government of Meghalaya	53,00,00,000	27,29,86,901
Total		171,00,00,000	74,59,46,665

For Non-Revenue Generative Capital Projects

The Cost incurred on capital projects under construction/development are to be treated as expenditure and will be shown as project expenditure in the Profit & Loss Account of that period and corresponding amount of Project Fund will be transferred to the Profit & Loss Account of that period.

On Completion of Non-revenue generative projects, the Company after receiving the completion certificate from appropriate authority, will be showing as Projects completed for informative.

L. EMPLOYEE BENEFITS

Short-term employee benefits: Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, and ex- gratia. The undiscounted amount of

short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

As per the Approved HR Manual, the SSCL Employees shall be allowed leave encashment for the accumulated earned leaves balance as at end of the Financial Year for which the Company maintain the attendance of each employees and leave record.

Details of Leave Encashment as under:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provision for Leave Encashment	4,32,780/-	3,81,370/-

Post-employment and other long-term employee benefits: The company does not provide and nor expects to provide any post-employment or other long-term employee benefits to employees.

M. PROVISIONS

During the end of financial year, the company has made the provisions for expenses for which the future payments like Salary payable, TDS payable, & Other Expenses payable at the end of financial year.

However, In the Fin. Year, the SSCL has made provision on the pending bills of M/s IPE Global Ltd. (Project Management Consultants) for deliverables and SAR Reports to the SSCL w.r.t the various projects planned under Smart City Mission Projects amounts to ₹1,65,09,984/- including GST as commented by AG (Audit) for the FY 2020-21 and also Provision made for 9th Running Bill of contractors of Commercial Complex, Polo, Shillong and additional GST amounting to ₹3,36,70,869/- including GST.

N. CASH AND CASH EQUIVALENTS

The Company considered the highly liquid assets which are readily convertible into cash and insignificant of risk of change in value and having maturity period less than 3 month from its acquisition. The Cash and Cash equivalent comprises cash on hand and demand deposits with banks and bank balance as on 31st, March 2022.

O. ACCOUNTING FOR TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Tax Liability/Asset resulting from timing difference between book profit and taxable profit that arise in one period and capable of reversal into one or more subsequent period. Deferred Tax Assets is recognised to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. **(Refer to Notes no. 3 & 10)**

P. EARNING PER SHARE (EPS)

The Company reports basic and diluted earnings per share in accordance with AS 20 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

The calculation for Earnings Per Share (EPS) as disclosed in the Statement of profit and loss has been made in accordance with Accounting standard (AS)-20 on “Earnings Per Share” as per the Companies (Accounting Standards) Rules, 2006.

A statement on calculation of EPS is as under:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit /(Loss) after tax	(2,33,309/-)	37,03,940/-
Weighted average number of shares outstanding (Equity shares of Rs. 10 each)	1,00,000	1,00,000
Basic/ Diluted Earnings per share (There are no potential Dilutive Equity shares) (Rs. per share)	(2.33)	37.04

Q. PRIOR PERIOD EXPENSES

During the Financial Year 2021-22 an amount of ₹1,65,09,984/- has been booked as Prior Period Expenses for Consultancy Services of M/s IPE Global Ltd as commented by AG (Audit) for the FY 2020-21. (Refer to Note no. 17)

R. PROVISION AND CONTINGENCIES

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

S. DISCLOSURE ON MSME:

Disclosure under section 22 of Micro, Small and Medium Enterprises Development Act, 2006

The Company has been properly identified the suppliers having registered to Micro and Small Enterprises and during the period under consideration, the Company the principal amount and interest due to Micro and Small enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006 is Rs. Nil (previous year Rs. Nil).

T. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Though, the Company has booked a loss of ₹2,33,309/- during the Fin. Year and by virtue of Section 135 (1) of the Companies Act, 2013, the Company does not qualify the stipulated conditions of applicability of CSR. Thus, there is no requirement to make the Provisions for Expenditure on Corporate Social Responsibility (CSR) in terms of the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII to the Act and the Companies (Corporate Social Responsibility) Rules, 2014.

U. RELATED PARTY DISCLOSURES

Disclosure as required by Accounting Standard (AS-18) on “Related Party Disclosures” issued under Companies (Accounting Standard) Rules, 2006.

- A. List of related party of the Company during Financial Year ended on 31st, March-2022:

Transaction with related parties with whom the company has transactions:

Name of the related party	Relationship
	(2021-22)
Shri. M. S. Rao	Chairman upto 30.09.2021
Smt. R. V. Suchiang	Chairperson
Shri. M.R. Synrem	Executive Director
Shri D. Vijay Kumar	Nominee Director
Shri C.V.D. Diengdoh	Nominee Director
Smt. Isawanda Laloo	Nominee Director
Shri B.S. Sohliya	Nominee Director
Shri G Kharmawphlang	Director
Shri C. R. Challam	Nominee Director
Shri G. K. Marak	Nominee Director
Shri Rahul Kapoor	Nominee Director
Shri. Wilfred Khylep	Nominee Director
Shri. Patrick Marak	Nominee Director
Shri. Bruce P Marak	Nominee Director
Shri T.V. Rao Krishnamurthy	CEO & Director
Smt. Natalie Kharkongor	Independent Director
Shri Jwatbor Singh Cajee	Independent Director
Shri Paul Khongjee	Director (Finance)
Ms.Archita Chakraborty	Company Secretary

NOTES

A series of horizontal dotted lines spanning the width of the page, intended for writing notes.

NOTES

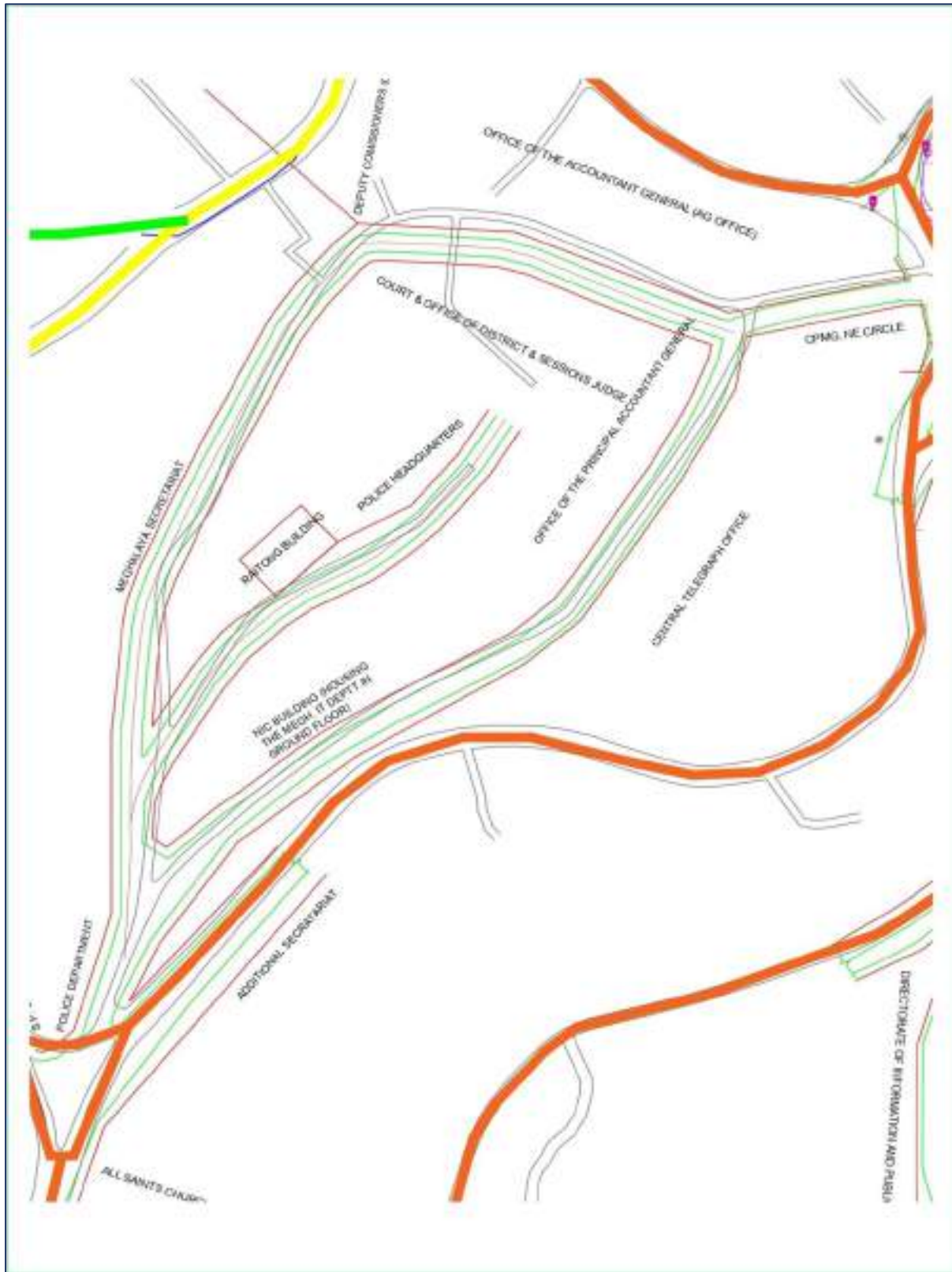
A series of horizontal dotted lines spanning the width of the page, intended for handwritten notes.

NOTES

A series of horizontal dotted lines spanning the width of the page, intended for writing notes.

NOTES

A series of horizontal dotted lines for writing notes.

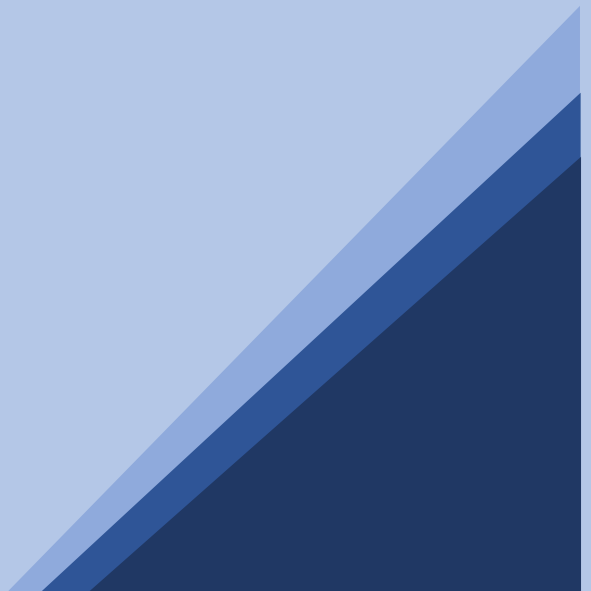


Route map of the venue of the Annual General Meeting



Concept & Design

This Annual Report for the Financial Year 2021-2022 has been
Conceptualized in-house By Shemboklang K Syiemlieh





SHILLONG
SMART CITY



SHILLONG SMART CITY LIMITED

House No. C/B- 037, Top Floor,

Centre Nongrim Hills

Near JJ Cables, East Khasi Hills District

Meghalaya – 793001

Follow us on our official website: <https://sscl.meghalaya.gov.in>