

**Shillong Smart City Limited**

# Annual Report 2019-2020

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# About Shillong

Smart City Limited



## **ABOUT SHILLONG SMART CITY LIMITED**

Smart City Mission is a program launched by the Government of India on the 25<sup>th</sup> 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 100<sup>th</sup> Smart City on 4<sup>th</sup> July, 2018.

## **OVERVIEW OF SHILLONG SMART CITY LIMITED**

Shillong Smart City Limited (SSCL) was incorporated as a public limited company on the 22<sup>nd</sup> 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 livability 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	Laitumkhrah	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
		<b>Total ABD area</b>		<b>401.99</b>

**PAN City Projects:**

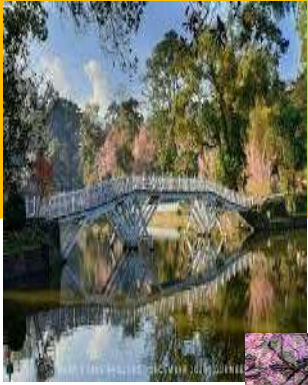
PAN City project is planned to be implemented in the entire Shillong Municipal Board and 10 census towns as give hereunder. Together SMB + 10 census towns is called as Shillong Urban Agglomeration (SUA). The total estimated area is about 58.84 Sq. Km (14538.00 Acres). The population benefitted by implementation 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	Pyinthorumkhrah (CT)	2.02	500.00
6	Nongmynsong (CT)	1.65	407.00
7	Lawsotun (CT)	2.19	541.00
8	Nongkseh (CT)	1.57	387.00
9	Umlyngka (CT)	2.73	675.00
10	Umpling (CT)	20.51	5068.00
11	Mawpat (CT)	6.63	1638.00
	<b>Total</b>	<b>58.84</b>	<b>14538.00</b>

- 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.

# CORPORATE INFORMATION





# CORPORATE INFORMATION

## BOARD OF DIRECTORS



SHRI M.S RAO

CHAIRMAN

SHRI D.P. WAHLANG

EXECUTIVE DIRECTOR



## BOARD OF DIRECTORS



**Smt R.V Suchiang**  
Government Nominee Director



**Shri S. Kharlyngdoh**  
Government Nominee Director



**Shri M.R Synrem**  
Government Nominee Director



**Shri D. Vijay Kumar**  
Government Nominee Director



**Shri Ethelbert Kharmalki**  
Government Nominee Director



**Smt Matsiewdor War Nongbri**  
Government Nominee Director



**Shri Rahul Kapoor**  
Government Nominee Director



**Shri B.S Sohliya**  
Government Nominee Director



**Shri Bruce P Marak**  
Government Nominee Director



**Shri K.D Talukdar**  
Government Nominee Director



**Shri T.V Khrishnamurthy**  
Chief Executive Officer/ Director



**Smt Natalie Kharkongor**  
Independent Director

# List of Government Nominee Directors

<p><b>SHRI M. S. RAO</b> Chief Secretary Government of Meghalaya</p>	<p><b>SMT R.V. SUCHIANG</b> Additional Chief Secretary Government of Meghalaya</p>
<p><b>SHRI DONALD PHILLIP WAHLANG</b> Principal Secretary, Urban Affairs Department Government of Meghalaya</p>	<p><b>SHRI S. KHARLYNGDOH</b> Commissioner &amp; Secretary (Law) Government of Meghalaya</p>
<p><b>SHRI M.R. SYNREM</b> Commissioner &amp; Secretary (Transport) Government of Meghalaya</p>	<p><b>SHRI D. VIJAY KUMAR</b> Commissioner &amp; Secretary (Planning) Government of Meghalaya</p>
<p><b>SMT MATSIEWDOR WAR NONGBRI</b> Deputy Commissioner, EKH Government of Meghalaya</p>	<p><b>SHRI ETHELBERT KHARMALKI</b> Director, Urban Affairs Government of Meghalaya</p>
<p><b>SHRI RAHUL KAPOOR</b> Director, SC- III (Smart Cities) Ministry of Housing and Urban Affairs Government of India</p>	<p><b>SHRI B. S. SOHLIYA</b> Chief Executive Officer, Shillong Municipal Board Government of Meghalaya</p>
<p><b>SHRI BRUCE P MARAK</b> Chief Engineer, National Highways PWD (Roads) Government of Meghalaya</p>	<p><b>SHRI K D TALUKDAR</b> Chief Engineer, PHE Government of Meghalaya</p>

**MANAGEMENT TEAM**

**T.V. KRISHNA MURTHY**

Chief Executive Officer

**B.B. AGARWAL**

General Manager (Urban Infrastructure)

**ARCHITA CHAKRABORTY**

Company Secretary

**PROJECT MANAGEMENT CONSULTANTS**

IPE GLOBAL LIMITED

**REGISTERED OFFICE**

C/B -037, Top Floor, Centre Nongrim Hills, Near JJ Cables, East Khasi Hills District,  
Shillong - 793003, Meghalaya

**OUR BANKER**

BANDHAN BANK

Police Bazar, Shillong

**STATUTORY AUDITORS**

M/s S S D & Co.

Chartered Accountant

Near High Court Meghalaya

M.G. Road, Shillong,

Meghalaya



**FROM THE DESK OF THE CEO**

The Government of India has launched the Smart Cities Mission on 25<sup>th</sup> 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.

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 will transform existing areas (retrofit and redevelop), including slums, into better planned ones, thereby improving liveability of the whole city. 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.

Shillong was selected as the 100<sup>th</sup> Smart City on 4<sup>th</sup> July 2018.

**Overview of Shillong Smart City Limited**

Shillong Smart City Limited (SSCL) is a public limited company and was incorporated on 22<sup>nd</sup> 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.

The company is administered through a Board of Directors. There are 14 Directors inclusive of 2 Independent Directors on its Board.

The key functions and responsibilities of the SPV 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 progress and have successfully awarded the following works.

**1. Project Management Consultant (PMC)**

Project Management Consultants, for assisting SSCL for implementation of Shillong Smart City Projects, have been appointed and have started their operation from 19<sup>th</sup> September 2019.

**2. Construction of Polo Commercial Complex**

Contractor for Construction of Commercial Complex at Polo, Shillong, has been appointed and have started their operation from November 2019.

**3. Redevelopment of Laitumkhrah Market**

Contractor for Re-development of Laitumkhrah Market, Shillong, has been appointed and have started their operation from September 2019.

The initial funding strategy, proposed at the time of preparation of the Smart Cities proposal, continues to be refined and refreshed. Summarizing, SSCL is now poised to deliver the planned/intended benefits of Shillong Smart City Projects to the residents of Shillong.

Sd/-

**Dr. T.V. Krishna Murthy**

**Chief Executive Officer**



# **NOTICE OF THE**

## **1<sup>ST</sup> Annual General Meeting**

**SHORTER NOTICE**

**Notice** is hereby given that the **First (1<sup>st</sup>) Annual General Meeting** of the Members of Shillong Smart City Limited will be held on Wednesday, the 23<sup>rd</sup> day of December, 2020 at 11:00 A.M. through Video Conferencing (VC) or Other Audio-Visual Mode (OAVM) facility to transact the Ordinary and the Special Businesses:

**A. Ordinary Business:****Item No. 1**

To receive, consider and adopt the Financial Statement for the Financial Year ending on 31st March, 2020 with the Board's Report and Independent Auditors' Report thereon and the comments thereupon of Comptroller and Auditor General of India.

**Item No. 2****RESOLUTION FOR RE-APPOINTMENT OF DIRECTOR RETIRING BY ROTATION.**

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

- 1) To appoint a Director in place of Smt. R.V. Suchiang (DIN- 01295296) who retires by rotation and being eligible offers herself for re-appointment.
- 2) To appoint a Director in place of Shri Vijay Kumar, (DIN: 05151831) who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a Director in place of Shri B. S Sohliya (DIN- 08323449) who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Bruce P Marak (DIN- 08913225) who retires by rotation and being eligible offers himself for re-appointment.

## A. Special Business

### Item No. 3

#### Regularization of Shri T.V. Krishna Murthy (DIN-00865600)

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

**“RESOLVED THAT** Shri T.V. Krishna Murthy (DIN-00865600) who was appointed as an additional director of the Company by the Board of Directors in the meeting held on the 23<sup>rd</sup> December, 2019 and who ceases to hold office under Section 161 of the Companies Act, 2013, be and is hereby appointed as a director of the Company liable to retire by rotation.

**“RESOLVED FURTHER THAT** any of the Board members of the Company or the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds and things necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above resolution.”

### Item No. 4

#### Confirmation of Appointment of Smt. Natalie West Kharkongor (DIN- 08554940) as an Independent Director

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 149, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies ( Appointment and Qualification of Directors) Rules, 2014 including any other rules read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company Smt. Natalie West Kharkongor (DIN- 08554940) who was appointed as an additional Director (in capacity of Non-Executive and Independent) at the meeting held on 23<sup>rd</sup> of December, 2019 and who holds office up to the date of this Annual General Meeting in terms of



Section 161 of the Companies Act, 2013 and in respect of whom the company has received a notice under Section 160 in writing proposing her candidature for the office of Director and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act, be and is hereby appointed as an Independent Director to hold office for a term of 3(Three) consecutive years commencing from 23<sup>rd</sup> December, 2019 and who shall not be liable to determination by retirement of directors by rotation.

**Item No. 5****Confirmation of Appointment of Shri Jwatbor Cajee (DIN- 08912429) as an Independent Director**

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 149, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies (Appointment and Qualification of Directors) Rules, 2014 including any other rules read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company Shri Jwatbor Cajee (DIN- 08912429) who was appointed vide Notification No. UAU.59/2015/Pt.II/189 dated the 23<sup>rd</sup> June, 2020 as an additional Director (in capacity of Non-Executive and Independent) at the meeting held on 16<sup>th</sup> of December, 2020 and whose term expires at this Annual General Meeting and in respect of whom the company has received a notice under Section 160 in writing proposing his candidature for the office of Director and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act, be and is hereby appointed as an Independent Non- Executive Director to hold office for a term of 3(Three) consecutive years commencing from 23<sup>rd</sup> June, 2020 and who shall not be liable to determination by retirement of directors by rotation.

**Item No. 7**

**To Authorize Alteration of the Articles of Association:**

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

**“RESOLVED THAT** pursuant to provisions of section 14 of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) (the “Act”) read with rule 33 of the Companies (Incorporation) Rules, 2014, approval of the members is accorded to amend the Articles of Association of the Company as follows:

**12.9.2. Executive Director**

The Executive Director will be the Principal Secretary, Urban Affairs Department “

*Will be substituted as follows:*

The Executive Director will be the Senior most Secretary of the Urban Affairs Department “

**“RESOLVED FURTHER THAT** any of the Director or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things necessary to give effect to the above resolution.

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

**Date: 16/12/2020**

**Place: Shillong**

**Sd/-  
Company Secretary**

**NOTES:**

1. Due to the Covid-19 pandemic situation, Ministry of Corporate Affairs vide general circular no. 14/2020, 17/2020 and 20/2020 dated 08/04/2020, 13/04/2020 and 05/05/2020 respectively has permitted the holding of general meeting through video conferencing (VC) or other audio video means (OAVM) in a manner as prescribed under the said circulars.
2. Link and other details for connecting through VC mode will be shared separately over registered email ids.
3. As per the aforesaid general circular, when a poll is required to be taken during the meeting on any resolution, the members shall convey their vote over the resolution put to vote through email at the time of the meeting the designated email to convey the vote is [ssclcs6@gmail.com](mailto:ssclcs6@gmail.com) / [shillongsmartcityltd@gmail.com](mailto:shillongsmartcityltd@gmail.com)
4. As per the aforesaid general circular facility for appointment of proxy as prescribed under section 105 of the Companies Act, 2013 will be not available for the general meeting conducted through VC or OAVM. However, in pursuant to section 112 and section 113 of the Companies Act, 2013, representatives of the members may be appointed for the purpose of participation and voting in the meeting.
5. During the meeting held through VC or OAVM facility, where a poll on any item is required, the members may cast their vote on the resolutions only by sending emails through their email addresses registered with company the said emails shall only be sent to the designated email address circulated by the company in advance.
6. The explanatory Statement pursuant to Section 102 of the Companies Act, 2013, forms part of this Notice and is attached hereto.
7. All the documents relevant to the resolutions specified in the Notice and which are referred to in the Explanatory Statement are available for inspection by the shareholders of the Company at the Registered office of the Company.
8. The meeting to which this Notice relates, is proposed to be held at a shorter notice. If you consent to the holding of the meeting at a shorter notice, you are requested to provide your consent by returning the attached Consent letter duly signed by you, to the Company.

9. None of the Directors of the Company is in anyway concerned or interested in the resolution.

**Annexures:**

- a. Explanatory Statement
- b. Consent for the Shorter Notice
- c. Attendance Sheet.

**By Order of the Board of Directors**

**Shillong Smart City Limited**

**Sd/-**

**Company Secretary**

**Date: 16/12/2020**

**Place: Shillong**

**Notice of the 1<sup>st</sup> Adjourned AGM**

**NOTICE**

**Notice** is hereby given that the **First (1<sup>st</sup>) Adjourned Annual General Meeting** of the Members of Shillong Smart City Limited will be held on Thursday, the 28<sup>th</sup> day of July, 2022 at 11:00 A.M. in the Conference Hall, Main Secretariat, through to transact the adjourned Ordinary Business:

**A. Ordinary Business:**

1. To receive, consider and adopt the Financial Statement for the Financial Year ending on 31st March, 2020 with the Board's Report and Independent Auditors' Report thereon and the comments thereupon of Comptroller and Auditor General of India.

**NOTES:**

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Businesses, as set out above is annexed hereto.
2. 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.
3. The Attendance Slip to be duly filled by the Members are annexed herewith.
4. All the documents relevant to the resolutions specified in the Notice and which are referred to in the Explanatory Statement are available for inspection by the shareholders of the Company at the Registered office of the Company.
5. Statutory registers maintained under Section 170 and Section 189 of the Companies Act, 2013 are open for inspection during business hours and will also be available at the AGM venue.
6. The Meeting is an adjourned meeting of the 1<sup>st</sup> Annual General Meeting which was held on the 23rd of December, 2020.
7. None of the Directors of the Company is in anyway concerned or interested in the resolution.

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

**Sd/-  
Company Secretary**

**Date: 08/07/2022**

**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 \_\_\_\_\_ N/A \_\_\_\_\_

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 \_\_\_\_\_

or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the First (1<sup>st</sup>) Adjourned Annual General Meeting of the Company, to be held on the 28<sup>th</sup> July, at 11:00 a.m. at the Conference Hall, 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
<b><u>Ordinary Resolution:</u></b> 1. To receive, consider and adopt the Financial Statement for the Financial Year ending on 31st March, 2020 and Directors' Report and Independent Auditors' Report thereon and the comments thereupon of Comptroller and Auditor General of India.		

Signed this.....day of July, 2022

Signature of Shareholder

Signature of Proxy holder(s)

Affix  
Revenue Stamp

*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.*



## SHILLONG SMART CITY LIMITED

CIN: U9300ML2019SGC013677 | Website: [www.sscl.meghalaya.gov.in](http://www.sscl.meghalaya.gov.in)

House No: C/B-037, Top Floor, Centre Nongrim Hills, Near JJ Cables, East Khasi Hills District,  
Shillong- 793003, Meghalaya

Email id: [shillongsmartcityltd@gmail.com](mailto:shillongsmartcityltd@gmail.com) | Phone Number: 0364-2522006

## ATTENDANCE SLIP

**PLEASE FILL ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING ROOM**

Name and address of the shareholder:

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 and I hereby record my presence at the First (1<sup>st</sup> ) Adjourned Annual General Meeting of the Company on the 28<sup>th</sup> July, 2022 at the Conference Room, Main Secretariat Building at 11:00 a.m.

Proxy's Name: \_\_\_\_\_

\_\_\_\_\_  
Member's/ Proxy's Signature

# BOARD'S REPORT



**SHILLONG SMART CITY LIMITED**  
**Board's Report**

**To**  
**The Members**

**Shillong Smart City Limited**  
**Shillong, Meghalaya**

Dear Members,

Your Board of Directors take the pleasure to present before you the highlights of your Company during the financial year ended March 31, 2020 and the 1<sup>st</sup> Annual Report on the business and operations of Shillong Smart City Limited, along with its Audited Financial Statements and the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (CAG) of India and the reply of the management thereto.

**1. FINANCIAL PERFORMANCE 2019-20:**

The Summary of the Financial Performance of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 is given below:

Particulars	For the Financial Year 2019-20
Total Income	3,09,89,532
Total Expenses	3,12,32,032
Profit Before Exceptional and Extraordinary Items and tax	(2,42,500)
Less Exceptional Items	-
Profit/ Loss Before Tax	(2,42,500)
Less : Current Tax	22,750
Less : Deferred Tax	
<b>Net Profit/ Loss After Tax</b>	<b>(2,19,750)</b>

**2. SHARE CAPITAL:**

The Authorized Share Capital of the Corporation was ₹1,00,00,000/- (One Crore) divided into 10,00,000 (Ten Lakh) Equity Shares of ₹10 each. Currently, the Company's Issued, Subscribed and Paid Up Capital is ₹ 10,00,000 (Rupees Ten Lakhs) divided into 1,00,000 (One Lakh) Equity Shares of ₹ 10 each. The entire paid up capital is mobilized in the form of subscription to the Memorandum of Association at the time of incorporation of the Company.

**3. RESERVE:**

The loss for the period under review amounting to ₹ 2,19,750 /- has been transferred to the Reserves.

**4. COMPOSITION OF THE BOARD OF DIRECTORS****(A) Composition of the Board of Directors as on 31<sup>st</sup> March, 2020**

SL No.	Name
1.	Shri M.S. Rao Chief Secretary Government of Meghalaya
2.	Smt. R.V. Suchiang Additional Chief Secretary Government of Meghalaya
3.	Shri D.P. Wahlang Principal Secretary, Urban Affairs Department Government of Meghalaya
4.	Shri S. Kharlyngdoh Commissioner & Secretary (Law) Government of Meghalaya
5.	Shri D. Vijay Kumar Commissioner & Secretary (Planning) Government of Meghalaya

6.	<b>Shri M.R. Synrem</b> <b>Commissioner &amp; Secretary (Transport)</b> <b>Government of Meghalaya</b>
7.	<b>Smt. Matsiewdor War Nongbri</b> <b>Deputy Commissioner, East Khasi Hills District</b> <b>Government of Meghalaya</b>
8.	<b>Shri E. Kharmalki</b> <b>Director, Urban Affairs Department</b> <b>Government of Meghalaya</b>
9.	<b>Shri Rahul Kapoor</b> <b>Mission Director</b> <b>Government of India</b>
10.	<b>Shri B. S. Sohliya</b> <b>CEO, Shillong Municipal Board</b>
11.	<b>Shri Bruce P. Marak</b> <b>Chief Engineer, National Highways</b>
12.	<b>Shri K.D. Talukdar</b> <b>Chief Engineer, PHE</b>
13.	<b>Shri T.V. Krishna Murthy</b> <b>CEO, SSCL</b>
14.	<b>Smt. Natalie Kharkongor</b> <b>Independent Director</b>



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

SI No.	Position	With effect From	Change	
			From	To
1	Chairman	31-03-2019	Shri Yeshe Tsering	Shri P.S. Thangkiew

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

SI. No.	Position	With effect from	Change	
			From	To
1.	Government Nominee Director Commissioner & Secretary (Law)	04-05-2020	Shri S. Kharlyngdoh	Shri Wilfred Khyllap
2.	Government Nominee Director Deputy Commissioner, EKH	04-09-2020	Smt. Matsiedor War Nongbri	Smt. Isawanda Laloo
3.	Director Urban Affairs Department	09-09-2020	Shri Ethelbert Kharmalki	Shri G. Kharmawphlang
4.	Executive Director Principal Secretary, Urban Affairs Department	10-10-2020	Shri D.P. Wahlang	Shri M.R. Synrem (Commissioner & Secretary Urban Affairs Department)
5.	Independent Director	23-06-2020	-	Shri Jwatbor Cajee

**DIVIDEND:**

As the Company incurred a loss during the period under review, hence no dividend was recommended by the Board under review.

**5. 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 2019-20.

**6. 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.

**7. 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.

**8. 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.

## **9. ESTABLISHMENT OF VIGIL MECHANISM**

The provisions of the Section 177 (9) of the Companies Act, 2013 the Vigil Mechanism is currently not applicable to 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.

## **10. HUMAN CAPITAL**

Your Corporation considers its human resources as its most valuable assets and is wholly committed to investing in the growth and empowerment of its work-force.

To keep their morale high, your company extends welfare benefits to the employees and their families by way of medical benefits.

## **11. EMPLOYEE WELFARE MEASURES:**

Your Company continues to extend welfare benefits to its employees by way of Health Insurance and Leave Encashment.

## **12. INDUSTRIAL RELATIONS:**

During the year your Company maintained harmonious Industrial relations throughout the Corporation.

## **13. WOMEN EMPOWERMENT:**

Women employees constitute a major part of your Company's workforce. SSCL celebrated Women's Day on 8<sup>th</sup> March, 2020 and has been actively supporting women employees.

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

**14. 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.

**15. 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.

**16. 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.

**17. 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.

**18. EXTRACT OF THE ANNUAL RETURN:**

The extract of the annual return is attached herewith as Annexure (MGT-9) to this report.

**19. 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 <sup>st</sup>	1 <sup>st</sup> May, 2019
2 <sup>nd</sup>	23 <sup>rd</sup> December, 2019

## **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. 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;

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, 2017 and of the profit of the Company for the year ended on that date;

- a) 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;
- b) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.
- c) 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.
- d) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

### **23. 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 31<sup>st</sup> March, 2020 is placed in the printed Annual Accounts of the Company.

### **24. BOARD OF DIRECTORS:**

SSCL being a Government Company, appointment/nomination of all the Directors is done by the Government of Meghalaya. As on 31<sup>st</sup> March, 2020 there were Thirteen Directors out of which 9 non-executive Directors as Government Nominee Directors. The Chief Secretary, to the Government of Meghalaya as its Chairman, 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 there are two independent directors.

Two meetings of the Board of Directors were held during the financial year 2019-20 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.

**25. 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.

**26. 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.



**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 look 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 Board gratefully acknowledges the support and guidance received from the Ministry of Development of North Eastern Region, Ministry of Textiles, Department of Public Enterprises, Development Commissioner (Handicrafts), Development Commissioner (Handlooms), North Eastern Council, Shillong, State Governments of NE Region and the Bankers. 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/-**

**M.R. Synrem**  
**(Executive Director)**

**Sd/-**

**G. Kharmawphlang**  
**(Director)**

**Place: Shillong**

**Date: 29<sup>th</sup> Nov, 2021**

# ANNEXURE - I



**ANNEXURE -I OF THE BOARD'S REPORT****FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL PERIOD ENDED 31<sup>ST</sup> MARCH, 2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

<b>Sl No.</b>	<b>Particulars</b>	<b>Details</b>
<b>1</b>	Corporate Identification Number	<b>U93000ML2019SGC013677</b>
<b>2</b>	Registration Date	<b>22/01/2019</b>
<b>3</b>	Name of the Company	<b>Shillong Smart City Limited</b>
<b>4</b>	Category/ Sub- Category of the Company	<b>Company Limited by shares</b>
<b>5</b>	Address of the Registered Office and Contact details	<b>C/B- 037, Top Floor, Centre Nongrim Hills, Near JJ Cables, East Khasi Hills District, Shillong - 793003, Meghalaya</b>
<b>6</b>	Whether listed Company	<b>Not Listed</b>
<b>7</b>	Name, Address and contact details of Registrar and Transfer Agent, if any	<b>Not Applicable</b>

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

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

SL No	Name and description of the main product/ services	NIC Code of the product/service	% Of the total turnover of the Company
1	SPV	75133	100

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

Name and address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% Of shares held	Applicable section
NIL	N/A	N/A	N/A	N/A



**ii. SHAREHOLDING OF PROMOTERS**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the beginning of the year			% of change during the year
		No. of shares	% of total shares of the Company	% of shares pledge/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledge/encumbered to total shares	
1.	State Government of Meghalaya	49,900	49.9%	-	49,900	49.9%	-	Nil
2.	Urban Affairs Department  (through its six representatives as follows:	50,100	50.10	-	50,100	50.10	-	Nil
TOTAL		<b>1,00,000</b>	<b>100</b>	<b>-</b>	<b>1,00,000</b>	<b>100</b>		<b>Nil</b>

**2) CHANGE IN PROMOTERS' SHAREHOLDING: There was no change in the promoter's shareholding for the period under review.**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-			
Date wise change				
At the end of the year				

**3) SHAREHOLDING PATTERN OF TOP SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS, HOLDERS OF GDRS AND ADRS):  
Not applicable for the period under review**

(From each one separate)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year				
Date wise change				
At the end of the year				

**3) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**No Directors or Key Managerial Personnel hold any share in their name**

(From each One separate)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year				
Date wise change				
At the end of the year				



**V. INDEBTEDNESS: Not applicable for the period under review: Not applicable for the period under review**

	Secured Loans excluding Deposits	Unsecured Loans (ECB)	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>TOTAL</b>				
<b>Change in indebtedness during the Financial Year</b>				
Addition				
Reduction				
<b>NET CHANGE</b>				
<b>Indebtedness at the end of the year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>TOTAL</b>				

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### a. Remuneration to Managing Director, Whole- Time Directors, Directors and/ or Managers:

Sl No.	Particulars of Remuneration		Total Amount
(1)	<b>Gross Salary</b>		
	(a)Salary as per provisions contained in section 17(1) of the Income – Tax Act		
	(b)Value of perquisites u/s17 (2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax act, 1961		
(2)	<b>Stock Option</b>		
(3)	<b>Sweat Equity</b>		
(4)	<b>Commission as % of profit, others, specify</b>		
(5)	<b>Others, please specify</b>		
	<b>TOTAL (A)</b>		
	<b>Ceiling as per the Act</b>		

**B. REMUNERATION TO OTHER DIRECTORS**

SL NO.	PARTICULARS OF REMUNERATION	NAME OF MD/ WTD/MANAGER/DIRECTOR	TOTAL AMOUNT
<b>1.</b>	<b>Independent Directors</b>		
	Fee for attending board/ committee meetings		
	Commission		
	Others, please specify		
	<b>TOTAL</b>		
<b>2.</b>	<b>Other Non-Executive Directors</b>		
	Fee for attending board/ committee meetings		
	Commission		
	Others, please specify		
	<b>TOTAL</b>		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD:**

Sl No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL (₹)	
		CEO	CS
1.	<b>Gross Salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income – Tax Act	3,85,000	4,75,500
	(b) Value of perquisites u/s 17 (2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax act, 1961		
(2)	<b>Stock Option</b>		
(3)	<b>Sweat Equity</b>		
(4)	<b>Commission as % of profit, others, specify</b>		
(5)	<b>Others, please specify</b>	1,92,500	22,500
	<b>TOTAL (A)</b>	<b>4,04,2500</b>	<b>4,98,000</b>

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

The above is not applicable for the period under review

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment /compounding Fees Imposed	Authority (RD/NCLT/Court)	Appeal made, if any, (Give details)
<b>A. COMPANY</b>					
<b>Penalty</b>					
<b>Punishment</b>					
<b>Compounding</b>					
<b>B. Directors</b>					
<b>Penalty</b>					
<b>Punishment</b>					
<b>Compounding</b>					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
<b>Penalty</b>					
<b>Punishment</b>					
<b>Compounding</b>					

*For and of behalf of the Board*

**Shillong Smart City Limited**

**Sd/-**

**M.R. Synrem  
Executive Director  
DIN: 03619409**

**Sd/-**

**G. Kharmawphlang  
Director  
DIN: 08915503**

# FINANCIAL STATEMENTS





# **INDEPENDENT AUDITOR'S REPORT**



To,  
The Members of Shillong Smart City Limited  
Shillong

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

1. We have audited the standalone financial statements of **Shillong Smart City Limited** (“the Company”), which comprise the Balance Sheet as at **31st March 2020**, 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.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2020**, and profit/loss, and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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 the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

4. We draw attention to Note 14 – Notes to Accounts and Significant Accounting Policies under the head “Financial Year”, where by virtue of the Section 2(41) of the Companies Act, 2013 the Company has opted the option of 15 Months Financial Year and accordingly, its first Financial Year has ended on 31st March, 2020 instead of 31st March, 2019, financial year being from 22nd, January 2019 to 31st March, 2020.

5. The Company has proportionately capitalised interest received on Project Fund meant for asset acquisition to the tune of Rs. 36,94,852.00 with the respective Government Grant. However, proportionate interest amounting to Rs. 11,05,699.00 received on Government Grants received for Administrative and Office (A&OE) Expenses has been carried to Statement of Profit & Loss Account as income and not merged with the grant fund.

6. We would further like to draw attention to an amount of Rs. 30,05,800.00 booked under the expenditure head “Tour & Travelling Expense” spent on foreign tour to Spain for attending Smart City Expo World Congress 2019.

7. Reverse Charge Mechanism provisions under GST as required to be followed by the Company was not adhered to on all payments made to ‘hiring of security services’ and ‘rent a cab service’.

**8. Our opinion is not qualified in respect of these matters noted above from para 4 to 7.**

#### **Key Audit Matters:**

9. As the Company is an unlisted entity, reporting of Key Audit Matters are not applicable to it.

#### **Information Other than the Standalone Financial Statements and Auditors’ Report thereon**

10 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.

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

- 12 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.
- 13 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.

#### **Responsibility of Management for Standalone Financial Statements**

- 14 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.
- 15 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.
- 16 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.
- 17 The Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

- 18 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.
- 19 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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.

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.

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.

### **Report on Other Legal and Regulatory Requirements**

- 20 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.

- 21 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 from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

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.

**Place: Shillong**  
**Date: 18.01.2021**  
**UDIN as issued by ICAI-21303776AAAAAF9791**

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

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

**Annexure – A to Independent Auditors’ Report of Shillong Smart City Limited for the financial year ended 31<sup>st</sup> March, 2020**

Referred to in Paragraph 20 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) As explained to us, fixed assets have been physically verified by the management as this is the first year of operation of the Company.

(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 31.03.2020.

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.

(b) 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.

viii) The company has not taken any loan or borrowings from financial institutions, bank, Government; hence the said Clause

ix) 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, we report that managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Companies Act 2013 read with Schedule V to the Companies Act.

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, there are no transactions with the related parties and hence compliance with sections 177 and 188 of Companies Act, 2013 is not applicable to the company.

xv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year 2018-19 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.

**Place: Shillong**  
**Date: 18.01.2021**  
**UDIN as issued by ICAI-21303776AAAAAF9791**

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

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

**Annexure – B to Independent Auditors’ Report of Shillong Smart City Limited for the financial year ended 31<sup>st</sup> March, 2020**

Referred to in Paragraph 21(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 2020 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 has to improve upon the effective internal audit system so as to cover all major areas with extensive scope. No Internal auditor was appointed by the company for the period under consideration except for a consultant to overlook the accountancy and Statutory Compliance of the company and whose performance was found to be inadequate. The scope of internal auditor or appointed consultant should define risk areas like, physical verification of fixed assets and inventory, reconciliation of statutory dues paid with corresponding returns filed. This could potentially result into weak checks and balances and unreported financial irregularities ultimately resulting into losses and distorted financial reporting.

**Opinion:**

In our opinion, except for the effected/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, 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, 2020**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

Place: Shillong

Date: 18.01.2021

UDIN as issued by ICAI-21303776AAAAAF9791

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

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

# 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 31<sup>st</sup> MARCH 2020.**

The preparation of Financial Statements of Shillong Smart City Limited for the year ended 31<sup>st</sup> March, 2020 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 accounting Standards in auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18<sup>th</sup> January, 2021.

I, on the 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 31 March 2020 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. 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 a better understanding of the financial statements and related audit report:

**A. Balance Sheet**

Nil

**B. Statement of Profit and Loss**

Expenses

**B. 1. Other expenses (Note 13): ₹ 2,49,97,485**

This does not include an amount of ₹ 19.96 lakh being the expenditure incurred by the Directorate of Information & Public Relations, GoM on behalf of SSCL on advertisements during the year 2019-20. This should have been accounted for as expenditure for the year and same amount should have been shown as Grants Received from Government of Meghalaya during the year. This has resulted in understatement of losses and Grants-in-Aid from Government of Meghalaya for the year 2019-20 by ₹ 19.96 lakh respectively.

**C. General**

**C1. Ind AS 37:** "Provisions, Contingent Liabilities and Contingent Assets". stipulates that when the realization of income is virtually certain, then the related assets should have been recognized in Accounts. Further, where an inflow of economic benefits is probable, it termed as Contingent Assets and should have been disclosed in Accounts with disclosure of its nature and estimate of the financial effect.

Sub- para 11.1 of Para 11 of Smart City Mission Statement & Guidelines states that " An equal amount, on a matching basis, have to be contributed by the State/ ULB". This statement was reiterated during the release ( 29 January 2019) of ₹ 50 crore as part payment of project funds by Gol. The Government of Meghalaya (GoM) had to contribute ₹ 50 crore to the project fund as matching grant of the project. However, as on 31<sup>st</sup> March 2020, the GoM was yet to contribute the matching grant of ₹ 50 crore to SSCL.

As per Ind AS 37, a note to this effect should have been given in the Notes to Accounts indicating the Contribution of GoM as receivable.

*For and on behalf of the*

Comptroller and Auditor General of India

Sd/-

(Shefali Srivastava Andaleeb)

Accountant General (Audit)

Place: Shillong

Date: 20 October 2021



- ✚ BALANCE SHEET
- ✚ STATEMENT OF PROFIT & LOSS
- ✚ STATEMENT OF CASH FLOW
- ✚ NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Note No.	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
a) Share capital	1	10,00,000	-
b) Reserves and surplus	2	(2,19,750)	-
		<b>7,80,250</b>	-
<b>2 Non-current liabilities</b>			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (net)	3	-	-
c) Other long term liabilities	4	50,36,94,852	-
d) Long-term provisions		-	-
		<b>50,36,94,852</b>	-
<b>3 Current liabilities</b>			
a) Short-term borrowings		-	-
b) Trade payables			
i) Total outstanding dues of micro enterprises and small		-	-
ii) Total outstanding dues of creditors other than micro	5	50,79,204	-
c) Other current liabilities	6	1,92,16,167	-
d) Short-term provisions	7	29,38,459	-
		<b>2,72,33,830</b>	-
<b>TOTAL</b>		<b>53,17,08,932</b>	-
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
a) Fixed Assets			
i) Property, plant and equipment	8	32,14,709	-
ii) Intangible assets		-	-
iii) Capital work-in-progress		-	-
iv) Expenditure during construction period pending		-	-
b) Deferred Tax Assets (net)		22,750	-
c) Non-current investments		-	-
d) Long-term loans and advances		-	-
e) Other non-current assets	9	5,12,666	-
		<b>37,50,125</b>	-
<b>2 Current assets</b>			
a) Current investments	17	-	-
a) Inventories		-	-
b) Trade receivables		-	-
c) Cash and cash equivalents	10	52,79,58,807	-
d) Short-term loans and advances		-	-
e) Other current assets		-	-
		<b>52,79,58,807</b>	-
<b>TOTAL</b>		<b>53,17,08,932</b>	-
		-	-
<b>See accompanying notes forming part of the financial</b>	1 to 14		
<b>In terms of our report attached</b>			
<b>For S S D &amp; Co.</b>	<b>For and on behalf of the Board of Directors of</b>		
Chartered Accountants	<b>Shillong Smart City Limited</b>		
<b>FRN: 0326761E</b>			
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	
<b>(SUMIT DAS)</b>	<b>Mr. M. R. Synrem</b>	<b>Mr. Gideon Kharmawphlang</b>	
Partner	Director	Director	
ICAI M.No. 303776	DIN No. 03619409	DIN No. 08915503	
UDIN:2130776AAAAAF9791			
	<b>Sd/-</b>	<b>Sd/-</b>	
	<b>Mr. T V Rao Krishnamurthy</b>	<b>Archita Chakraborty</b>	
<b>Place: Shillong</b>	CEO	Company Secretary	
<b>Date: 23.12.2020</b>			

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

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Note No.	For the year ended	For the year ended
		March 31, 2020	March 31, 2019
		Rs.	Rs.
i Revenue from operations		-	-
ii Other income	11	3,09,89,532	-
iii <b>Total Revenue ( i + ii )</b>		<b>3,09,89,532</b>	-
iv Expenses :			
Cost of materials consumed		-	-
Changes in inventories of finished goods and work in progress		-	-
Employee benefits expenses	12	61,48,049	-
Finance costs		-	-
Depreciation and amortization expenses	8	86,498	-
Other expenses	13	2,49,97,485	-
<b>Total Expenses</b>		<b>3,12,32,032</b>	-
v Profit before exceptional and extraordinary items and tax		(2,42,500)	-
vi Add : Exceptional items		-	-
vii Profit before extraordinary items and tax		<b>(2,42,500)</b>	-
viii Less : Extraordinary items		-	-
v Profit before tax ( iii - iv )		<b>(2,42,500)</b>	-
Profit for the year		(2,42,500)	-
vi <b>Tax expense :</b>			
- Current tax		-	-
- MAT credit entitlement		-	-
- Deferred tax		22,750	-
- Deferred tax Adjustment		-	-
- Tax adjustments of earlier years - Current tax		-	-
- Deferred tax		-	-
vii <b>Profit for the year ( v - vi )</b>		<b>(2,19,750)</b>	-
xii <b>Profit for the year</b>		<b>(2,19,750)</b>	-
<b>Earnings per equity share</b>		(2.20)	-
<b>Basic and Diluted</b>			
[Nominal value of equity share Rs. 10/- (Previous Year: Nil)]			
<b>See accompanying notes forming part of the financial</b>	1 to 14		
<b>In terms of our report attached</b>			
<b>For S S D &amp; Co.</b>	<b>For and on behalf of the Board of Directors of</b>		
Chartered Accountants	<b>Shillong Smart City Limited</b>		
<b>FRN: 0326761E</b>			
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	
<b>(SUMIT DAS)</b>	<b>Mr. M. R. Synrem</b>	<b>Mr. Gideon Kharmawphlang</b>	
Partner	Director	Director	
ICAI M.No. 303776	DIN No. 03619409	DIN No. 08915503	
UDIN:2130776AAAAAF9791			
	<b>Sd/-</b>	<b>Sd/-</b>	
	<b>Mr.T V Rao Krishnamurthy</b>	<b>Archita Chakraborty</b>	
<b>Place: Shillong</b>	CEO	Company Secretary	
<b>Date: 23.12.2020</b>			

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	For the year ended		For the year ended	
	March 31, 2020		March 31, 2019	
	Rs.		Rs.	
<b>Cash flow from Operating Activities</b>				
Profit before tax		(2,42,500)		-
<b>Adjustments for:</b>				
Depreciation and amortisation expense		86,498		-
Loss/ (Profit) on sale of property, plant and equipment		-		-
Profit on sale of fixed assets		-		-
Finance costs		-		-
Interest income		(11,05,699)		-
Liabilities / provisions no longer required written back		-		-
Provision for doubtful trade and other receivables, loans and advances		-		-
Bad debts written off		-		-
<b>Operating profit before working capital changes</b>		<b>(12,61,701)</b>		<b>-</b>
<b>Changes in the working capital</b>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories		-		-
Trade receivables		-		-
Short-term loans and advances		-		-
Long-term loans and advances		-		-
Other current assets		-		-
Other non-current assets		(5,12,666)		-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables		50,79,204		-
Other current liabilities		1,92,16,167		-
Short-term provisions		29,38,459		-
Long-term provisions		-		-
<b>Cash generated from operations</b>		<b>2,54,59,463</b>		<b>-</b>
Net income tax paid		-		-
<b>(A) Net cash flow from Operating activities</b>		<b>2,54,59,463</b>		<b>-</b>
<b>Cash flow from investing activities</b>				
Capital expenditure on property, plant and equipment		(33,01,207)		-
(Increase)/ decrease in capital work in progress		-		-
Proceeds from sale of property, plant and equipment		-		-
Purchase of investments		-		-
Interest income(Both on Capital and A&OE Grant)		48,00,551		-
<b>(B) Net cash used in investing activities</b>		<b>14,99,344</b>		<b>-</b>
<b>Cash flow from financing activities</b>				
Proceeds from/ (Repayment of) short term Govt Grant (A&OE) (net)		-		-
Dividends and tax on dividend paid		-		-
Share Capital (A & OE )		10,00,000		-
Proceeds/Repayment of long term Govt. Grant (net)		50,00,00,000		-
<b>(C ) Net cash used in financing activities</b>		<b>50,10,00,000</b>		<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents(A+B +C)</b>		<b>52,79,58,807</b>		<b>-</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>-</b>		<b>-</b>
<b>Cash and cash equivalents at end of financial year*</b>		<b>52,79,58,807</b>		<b>-</b>
<b>See accompanying notes forming part of the financial statements</b>	1 to 14			
<b>In terms of our report attached</b>				
<b>For S S D &amp; Co.</b>	<b>For and on behalf of the Board of Directors of</b>			
Chartered Accountants	<b>Shillong Smart City Limited</b>			
<b>FRN: 0326761E</b>				
<b>Sd/-</b>	<b>Sd/-</b>		<b>Sd/-</b>	
<b>(SUMIT DAS)</b>	<b>Mr. M. R. Synrem</b>		<b>Mr. Gideon Kharmawphiang</b>	
Partner	Director	Director	Director	
ICAI M.No. 303776	DIN No. 03619409		DIN No. 08915503	
UDIN:2130776AAAAAF9791				
	<b>Sd/-</b>		<b>Sd/-</b>	
	<b>Dr. T V Rao Krishnamurthy</b>		<b>Archita Chakraborty</b>	
<b>Place: Shillong</b>	CEO		Company Secretary	
<b>Date:23.12.2020</b>				

**Notes forming part of the Financial Statements for the year ended March 31, 2020**

1 SHARE CAPITAL					
PARTICULARS	As at March 31, 2020		As at March 31, 2019		
	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	
<b>Total</b>	<b>1,00,000</b>	<b>10,00,000</b>	<b>1,00,000</b>	<b>10,00,000</b>	
<b>a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>					
Equity shares	As at March 31, 2020		As at March 31, 2019		
	Number	Rs.	Number	Rs.	
At the beginning of the year	1,00,000	10,00,000	-	-	
Add: Issued during the year	-	-	1,00,000	10,00,000	
<b>Outstanding at the end of the year</b>	<b>1,00,000</b>	<b>10,00,000</b>	<b>1,00,000</b>	<b>10,00,000</b>	
<b>b. Terms/ rights attached to equity shares</b>					
(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, 2020, 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.					
<b>c.</b> There is no holding or ultimate holding company of the Company.					
<b>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:</b>					
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.					
<b>e. Detail of shareholders holding more than 5% shares in the Company</b>					
		As at March 31, 2020		As at March 31, 2019	
		Number	% shareholding	Number	% shareholding
Shri. M. S. Rao	Chief Secretary, Govt. of Meghalaya	49,900	49.90	49,900	49.90
Shri. Donald Phillips Wahlang	Principal Secretary, Urban Affair Department	49,900	49.90	49,900	49.90
Shri. Ethelbart Kharmalki	Director, Urban Affair Department	160	0.16	160	0.16
Shri. Samewan Sullai	Architech, Urban Affair Department	10	0.01	10	0.01
Smt. Wandalin Syiem	Project Director, Urban Affair Department	10	0.01	10	0.01
Shri Marbiangbor Kharkongor	Asstt. Urban Planner, Urban Affair Department	10	0.01	10	0.01
Shri. Kynphambor Wahlang	Executive Engineer, Urban Affair Department	10	0.01	10	0.01
		<b>1,00,000</b>	<b>100</b>	<b>1,00,000</b>	<b>100</b>
<b>Note:</b> Equity shares of the Company are held by the above mentioned persons in their representative capacity of the Government.					
2 RESERVES AND SURPLUS					
PARTICULARS	As at March 31, 2020		As at March 31, 2019		
	Rs.		Rs.		
Surplus i.e. Balance in the Statement of Profit and Loss					
Balance as per the last financial statements	-		-		
Add: Profit/(Loss) for the year transferred from Statement of Profit and Loss	(2,19,750)		-		
Less: Appropriations	-		-		
Amount transferred to General Reserve	-		-		
<b>Total Appropriations</b>	<b>-</b>		<b>-</b>		
<b>Net Surplus</b>	<b>(2,19,750)</b>		<b>-</b>		
<b>Total Reserves and Surplus</b>	<b>(2,19,750)</b>		<b>-</b>		





12	EMPLOYEE BENEFITS EXPENSES				
	PARTICULARS			For the year ended	For the year ended
				As at March 31, 2020	As at March 31, 2019
				Rs.	Rs.
	Staff Salary including Key Managerial Salary			58,94,979	-
	Leave Encashment Exp.			2,42,500	-
	Contribution to provident fund			-	-
	Staff welfare expense			10,570	-
				<b>61,48,049</b>	-
8	DEPRECIATION AND AMORTIZATION EXPENSES				
	PARTICULARS			For the year ended	For the year ended
				As at March 31, 2020	As at March 31, 2019
				Rs.	Rs.
	Depreciation on property, plant and equipment (As per Annexure Attached)			86,498	-
				<b>86,498</b>	-
13	OTHER EXPENSES				
	PARTICULARS			For the year ended	For the year ended
				As at March 31, 2020	As at March 31, 2019
				Rs.	Rs.
13 (a)	OTHER EXPENSES				
	Accounting and Retainership Charges			4,30,128	-
	Advertisement and Smart City Campaign Exp.			16,07,581	-
	Car Hiring Charges			6,09,537	-
	Office Cleaning Exp.			39,000	-
	Contractor for Staff Hiring Exp.			6,47,580	-
	Consultancy Service Expense				-
	-Project Management Consultancy Fees			79,43,003	-
	Conveyance Exp.			140	-
	Electricity Charges			15,000	-
	Honorarium Exp.			70,000	-
	Interest & Penalty			2,359	-
	Internet Expense			18,918	-
	Meetings & Workshop Expense			1,53,770	-
	Office Rent			9,38,896	-
	Office Expense			8,777	-
	Postage and Courier Charges			780	-
	Repairs & Maintenance			4,680	-
	Statutory Auditor's remuneration			15,000	-
	Tour & Travelling Expense			35,40,759	-
	Legal and professional charges			12,47,445	-
	Smart City Plan			8,553	-
	Printing & Stationary Exp.			91,890	-
	Prize Money Exp.for Smart City Painting Completion			11,10,000	-
	Miscellaneous Expenses			1,691	-
				<b>1,85,05,487</b>	-
13 (b)	OTHER EXPENSES-PRE-OPERATING EXP.				
	Meeting, Training & Workshop Smart City-Muda			3,34,490	-
	Tour and Travelling Expenses			2,18,079	-
	Advertisement Smart CityExpense- MUDA			30,23,094	-
	Consultancy Fees Smart City- MUDA			27,60,000	-
	IEC Smart City-Muda			21,567	-
	DPR Preparation			2,496	-
	Smart City Plan			4,106	-
	1/5 th of Pre-Incorporation Exp. Written off			1,28,166	-
				Total 15(b)	64,91,998
				<b>Total 15(a) + 15(b)</b>	<b>2,49,97,485</b>





**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 14 - 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 an Special Purpose Vehicle (SPV).

**ACCOUNTING OF SSCL**

Pursuant to the section 128(1) of the Companies Act, 2013 the following Cumulative conditions are to be 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**

Since the Company is incorporated in the period beginning from 01, January 2019 to 31st March, 2019 and by virtue of the Section 2(41) of the Companies Act, 2013 has 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 and not held any intangible assets.

#### **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 Project is accounted for under capital work in progress (CWIP).

This is the first financial year of the Company, it has planned many projects for Shillong city aligned with the Smart City Mission and appointed a project management consultant who consult and working as extended arm of the Company in planning, tendering, implementation, and supervision of the projects.

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

For advances given to the contractor/suppliers for the project under construction, the company showing it as loan and advances to contractors/suppliers until it received the bills against the such advances.

#### **F. REVENUE RECOGNITION**

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

#### **G. OTHER INCOME**

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

Standard "Accounting of Investment" and Interest earned on Project Grant is credited into the project grant and to utilise 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.

ii) Other income recognised on receipt basis.

#### **H. GOVERNMENT GRANTS**

Grants from the Government 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.

#### **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 in the Balance Sheet and transferred to Profit & Loss A/c of systematically over the period.

#### **CAPITAL GRANTS**

Project Grant received during the Financial Year is considered as Long- term liabilities and disclosed in the Balance Sheet. Further, interest earned on the project grants is credited to the respective grant account.

#### **K. 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.

**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.

#### **L. PROVISIONS**

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

#### **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 31<sup>st</sup>, March 2020.

**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.

**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, 2020	For the Previous year
Profit /(Loss) after tax	(2,19,750/-)	-
Weighted average number of shares outstanding (Equity shares of Rs. 10 each)	1,00,000	-
Basic/ Diluted Earnings per share (There are no potential Dilutive Equity shares) (Rs. per share)	(2.20)	-



**Q. 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.

**R. 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).

**S. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

During the Financial Year, the Company booked a loss of Rs.2,19,750/- and thus, not required 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.

**T. 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 31<sup>st</sup>, March 2020:**

<b>Name of the related party</b>	<b>Relationship (2019-20)</b>
<b>Shri M.S. Rao</b>	Chairman
<b>Shri D.P.Wahlang</b>	Executive Director
<b>Shri R.V. Suchiang</b>	Nominee Director
<b>Shri D. Vijay Kumar</b>	Nominee Director
<b>Shri. M.R. Synrem</b>	Nominee Director
<b>Shri B.S. Sohliya</b>	Nominee Director
<b>Shri K.D. Talukdar</b>	Nominee Director
<b>Shri Bruce P. Marak</b>	Nominee Director
<b>Shri Rahul Kapoor</b>	Nominee Director
<b>Shri T.V. Rao Krishnamurthy</b>	CEO & Director
<b>Natalie Kharkongor</b>	Independent Director
<b>Shri Yeshi Tsering</b>	Nominee Director
<b>Ethelbert Kharmalki</b>	Director
<b>Shri P.S. Thangkhiew</b>	Director
<b>Ms.Archita Chakraborty</b>	Company Secretary

# NOTES

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## **CONCEPT & DESIGN**

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This Annual Report for the Financial Year 2019-2020 has been conceptualized in-house



**SHILLONG SMART CITY LIMITED**

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Centre Nongrim Hills  
Near JJ Cables, East Khasi Hills District  
Meghalaya -793003

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