

SHILLONG SMART CITY LIMITED



Annual Report 2022-2023





SHILLONG
SMART CITY

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OVERVIEW

- Introduction.
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INTRODUCTION

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

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

Overview of Shillong Smart City Limited

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

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



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

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

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

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

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

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

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

PAN City Projects:

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

Identified geographical area for implementation of PAN City Projects

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

CT = Census Town

Vision Statement

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

Message From The Chief Executive Officer

Dear valued Shareholders,

Today, as we convene the 4th Annual General Meeting of your Company, I on behalf of the Board of Directors extend my gratitude and warm welcome to each one of you. It gives me immense pleasure to present before you the Annual Report of your Company for the F.Y. 2022-23

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



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

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

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

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

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

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

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

As for the year under review your Company is administered through a Board with its total strength of 15 Directors inclusive of 2 Independent Directors on its Board.

The key functions and responsibilities of your company are as listed below:

- 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 mobilization of resources.
- 5) Approve and act upon the reports of a third-party review and monitoring agency.
- 6) Overview capacity building activities.
- 7) Develop and benefit from inter-linkages of academic institutions and organizations.
- 8) Ensure timely completion of projects according to set timelines.
- 9) Monitor and review quality control related matters and act upon issues arising thereof.
- 10) Enter into contracts, partnerships and service delivery arrangements as may be required for the implementation of the Smart City Projects
- 11) Any other functions as delegated by the central government or state government/ ULB within the scope of smart city mission.

I am pleased to report that since its inception Shillong Smart City Ltd has made substantial progress and is implementing a total of 16 number of projects at a cost of ₹ 762.78 Cr. as of end of F.Y. 2022-2023.

The list of Projects being implemented by Shillong Smart City Ltd as of end of March, 2023 are as follows:

SL No.	Project Name
1	Inculcation of road user habits amongst school children
2	Construction of a Commercial Complex at Polo, Shillong, East Khasi Hills District, Meghalaya
3	Construction and Re-Development of Laitumkhrah Municipal Market at Laitumkhrah, Shillong, Meghalaya, India.
4	Construction of 6Km Smart Roads in Shillong under Smart City Mission, Shillong
5	Waste Water Treatment through in-situ Nallah Treatment Technology at various Location in Shillong, East Khasi Hills District
6	Construction of Rainwater Harvesting System at various Location in Shillong, East Khasi Hills District, Meghalaya under Smart Cities Mission.
7	Installation of Fire Hydrant System and 240 numbers of the street lights pole
8	Construction of Shillong Business Cum Tourism and Cultural Centre at Police Bazar, Shillong on Design, Engineering, Procurement and Construction (EPC) Basis.
9	Design, Build, Operate, Maintain and Transfer of Mechanised Multi Level Car Park at Motphran in Shillong, under Shillong Smart City Mission, East Khasi Hills District, Meghalaya.
10	Retrofitting and Upgradation of 3 Multi-level Parking at various locations in Shillong, East Khasi Hills District, Meghalaya under Smart Cities Mission.
11	Implementation of Integrated Command and Control Centre and Smart Elements in Shillong, on Design, Build and Operate basis.
12	Creation of smart walk ways in and around Laitumkhrah area / Rejuvenation & Improvement of natural storm drains of Wahdasoi, Mawbah and Bishop Falls. / Improvement and up gradation of drainage system in Laban area
13	Supply & Installation of Open-Air Gyms (Outdoor) at various location in Shillong.
14	Grid connected Roof Top Solar Photo-Voltaic system at various buildings in Shillong.

15	Development of office cum automated Multi-Level Car Park (on DBOT Basis) at Mawkhar, Shillong.
16	Engineering, supply, installation, Site development and commissioning of un segregated waste management plants of capacity 1 (one) Metric Ton per day 4 nos at specified sites of Shillong Municipal Board using induced heat-based process, oxygenation plasma state technology for management of un segregated waste
	Procurement of Jatayu Super Litter Picking Machine

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

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

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

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

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

Sd/-

Dr. T.V. Krishna Murthy
Chief Executive Officer



BOARD OF DIRECTORS



Shri D.P. WAHLANG
Chairman w.e.f. 01.08.2022



Smt R.V. SUCHIANG
Chairperson upto 31.07.2022



Shri M.R. SYNREM
Executive Director upto 09.01.2023



Shri PRAVIN BAKSHI
Executive Director w.e.f. 09.01.2023



Dr. VIJAY KUMAR
Government Nominee Director



Shri C.V.D. DIENGDH
Government Nominee Director



Shri S.C. SADHU
Government Nominee Director
w.e.f. 11.01.2023



Smt ISAWANDA LALOO
Government Nominee Director
Upto 11.01.2023



Shri RAHUL KAPOOR
Government Nominee Director
Representative of Government
Of India
Upto 21.02.2023



Shri LAL CHHANDAMA
Government Nominee Director
Representative of Government
Of India
w.e.f. 21.02.2023



Smt B.M. LYNDEM
Government Nominee Director
w.e.f. 30.11.2022



Shri C.R. CHALLAM
Government Nominee Director
Upto 30.11.2022



Shri B.S. SOHLIYA
Government Nominee Director
Upto 31.08.2022



Shri J.P. LAKIANG
Government Nominee Director
w.e.f. 31.08.2022



Shri G KHARMAWPHLANG
Director upto 26.08.2022



Shri E KHARMALKI
Director w.e.f. 26.08.2022



Shri G.K. MARAK
Government Nominee Director

Smt NATALIE KHARKONGOR
Independent Director upto 23.12.2022



Shri R.V. WARJRI
Independent Director w.e.f. 08.11.2022



Dr. T.V. RAO KRISHNAMURTHY
CEO & Director

Shri PAUL KHONGJEE
Director (Finance)



CORPORATE INFORMATION



SHILLONG SMART CITY LIMITED

CIN: U9300ML2019SGC013677

Registered Office

House No. C/B- 037, Top Floor,
Centre Nongrim Hills, Near JJ Cables,
East Khasi Hills District,

Shillong- -793003, Meghalaya, India

Website: www.sscl.meghalaya.gov.in

Phone: 0364-2522006

Email: shillongsmartcityltd@gmail.com



MANAGEMENT TEAM

Dr. T.V. KRISHNAMURTHY
Chief Executive Officer

P. KHONGJEE
Director (Finance)

S. KALYANA RAMAN
General Manager (Roads)

B.B. AGARWAL
General Manager (Urban Infrastructure)

ARCHITA CHAKRABORTY
Company Secretary

PROJECT MANAGEMENT CONSULTANTS

IPE GLOBAL LIMITED

STATUTORY AUDITOR

M/s S S D & Co.
Chartered Accountant
Near High Court Meghalaya
M.G. Road, Shillong
Shillong, Meghalaya

INTERNAL AUDITORS

M/s R. Pal & Co.
Chartered Accountants
C.P.I Office Campus,
Quinton Road, Shillong
Shillong, Meghalaya.

OUR BANKERS

1. State Bank of India
M G Road, near General PO
Shillong, East Khasi Hills
Meghalaya – 793001.
2. Bhandhan Bank
Police Bazaar,
Beside Woodland Showroom
Shillong, Meghalaya
Pin – 793001.
3. HDFC Bank
Meghalaya Secretariat Branch
Crescens building, MG Road,
Opp Meghalaya Secretariat,
Shillong – 793001.



Construction of 6KM Smart Road

A decorative frame with ornate scrollwork surrounds the central text. The frame is composed of dark brown lines with intricate, symmetrical flourishes at the corners and midpoints.

STATUTORY REPORTS

- Notice to the Members.
- Directors' Report.
- Annexure - I.



NOTICE TO THE MEMBERS

No. SSCL/AGM/A67/19-20/20**Date: 13/09/2023****NOTICE**

Notice is hereby given that the **Fourth (4th) Annual General Meeting** of the Members of Shillong Smart City Limited will be held on **Thursday, the 14th day of September, 2023 at 3:45 P.M.** in the **Conference Hall, Main Secretariat**, through to transact the Ordinary and the Special Businesses:

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

1. To receive, consider and adopt the Financial Statement for the Financial Year ending on 31st March, 2023 with the Board's Report and Independent Auditors' Report thereon and the comments thereupon of Comptroller and Auditor General of India.

The members will be apprised that the Annual Accounts for the Financial Year 2022-23 is currently under audit and as such the Audited Accounts along with the report of the Statutory Auditors and the comments of the C&AG are not available to be placed before the members for their approval and adoption.

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

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

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

“RESOLVED THAT the agenda item to receive, consider and adopt the Audited Financial Statement for the Financial Year ending on 31st March, 2023; and the Report of the Board of Directors, the Reports of the Statutory Auditors and the comments thereupon of Comptroller and Auditor General of India (C&AG), is deferred until receipt of the comments of the CAG.”

“RESOLVED THAT the Financial Statements for the year 2022-23 will be placed in the Fourth Adjourned Annual General Meeting of the Company subsequent to the receipt of the comments from the Comptroller & Auditor General of India.”

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

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

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

- 1) Shri Cyril Vanneisanga Darlong Diengdoh (DIN: 08380322)
- 2) Shri Ethelbert Kharmalki (DIN: 08338554)
- 3) Shri T.V. Krishnamurthy (DIN: 00865600)

The members if thought fit will then propose and pass the following resolutions:

“RESOLVED FURTHER THAT Shri Cyril Vanneisanga Darlong Diengdoh (DIN: 08380322) who retires by rotation at this Annual General Meeting be and is hereby re-appointed as a Director of the Company, liable to retirement by rotation.”

“RESOLVED FURTHER THAT Shri Ethelbert Kharmalki (DIN: 08338554) who retires by rotation at this Annual General Meeting be and is hereby re-appointed as a Director of the Company, liable to retirement by rotation.”

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

Item No. 3**TO FIX THE REMUNERATION OF THE STATUTORY AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR 2022-23**

The Members shall be apprised that the intimation for the appointment of the Statutory Auditors for the F.Y. 2023-24 has not yet been received from the office of the Comptroller & Auditor General of India.

Therefore, the matter to fix the remuneration of the Statutory Auditors for the F.Y. 2023-24 may be authorised to the Board of the Company after the receipt of the appointment letter from the office of C&AG.

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

“RESOLVED THAT the Board of Shillong Smart City Limited be and is hereby authorised to fix the remuneration of the Statutory Auditors for F.Y. 2023-24 after the receipt of the appointment letter from the office of C&AG.”

B. Special Business

Item No. 1

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 Clause 12.1 of the Articles of Association of the Company by omitting the words and maximum of 15 (fifteen) directors.”

“RESOLVED FURTHER THAT any of the Director or the Company Secretary of the Company be and is hereby authorized, severally, to take necessary steps to give effect for alteration of the Indemnity Clause of the Articles of Association of the Company and to sign/execute all/any e-forms, other forms, returns, documents as may be required to be filled electronically with the Ministry of Corporate Affairs, Registrar of Companies, consequent upon proposed alteration in the Articles of Association of the Company.

Item No. 2**Appointment of Shri Reiwad Vicharwant Warjri (DIN: 07140248) as a Director of the Company:**

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 Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), Companies (Appointment and Qualification of Directors) Rules, 2014, (“Rules”) and further amendments thereto from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and also the relevant provisions of the Articles of Association of the Company, Shri Reiwad Vicharwant Warjri who was appointed by the Government of Meghalaya as the Independent Director of the Company and was also appointed as Additional Director by the Board of Directors of the Company with effect from 6th December, 2022 and who holds the said office pursuant to the provisions of Section 161 of the Act upto the date of this Annual General Meeting and who is eligible for appointment under the provisions of Section 160 of the Act for the Office of Director and for whose appointment, approval of the Members of the Company is required to be taken before the next General Meeting under the provisions of applicable statutes be and is hereby appointed as a Director.”

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

Date: 13/09/2023

Place: Shillong

**Sd/-
Company Secretary**



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 sheets 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. The meeting to which this Notice relates, is held at a shorter notice with the consent of the members.
6. None of the Directors of the Company is in anyway concerned or interested in the resolution.

Annexures:

- a. Explanatory Statement

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

**Sd/-
Company Secretary**

Date: 13/09/2023

Place: Shillong

Explanatory Statements for the Special Business pursuant to Section 102 of the Companies Act, 2013:

Following is the explanatory statement in respect of item No. 1 of the Special Business included in the Notice dated 13th September, 2023:

1. To Authorize Alteration of the Articles of Association:

As Ministry of Corporate Affairs, Government of India through its Notification G.S.R. 464(E) dated 5th June, 2015 has exempted Government Companies from Clause 149(1)(b), i.e. from having a maximum of 15 number of directors on the Board.

Therefore, the Articles of Association is proposed to be altered by omitting the words *and maximum of 15 (fifteen) directors*.

None of the Directors or Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the said Special Resolution.



2. Appointment of Shri Reiwad Vicharwant Warjri (DIN: 07140248) as a Director of the Company:

The Government of Meghalaya has appointed Shri Reiwad Vicharwant Warjri, as the Independent Director on the Board of the Company. Accordingly, Shri Reiwad Vicharwant Warjri was appointed by the Board as an Additional Director with effect from December 6, 2022 in terms of provisions of Section 161 of the Companies Act, 2013 (“Act”), Rules made thereunder and also the provisions of the Articles of Association of the Company.

As per the provisions contained under Section 161 of the Act the Additional Director so appointed by the Board shall hold office upto the date of next Annual General Meeting (AGM) of the Company or the last date on which the AGM of the Company should have been held, whichever is earlier. Accordingly, Shri Reiwad Vicharwant Warjri as an Additional Director, holds office upto the date of this AGM.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Resolution.

The Board recommends the Ordinary Resolution as set out for approval by the Members.

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

**Sd/-
Company Secretary**

Date: 13/09/2023

Place: Shillong

No. SSCL/AGM/A67/19-20/21

Date: 12/07/2024

NOTICE

Notice is hereby given that the **Fourth (4th) Adjoined Annual General Meeting** of the Members of Shillong Smart City Limited will be held on **Wednesday, the 7th day of August, 2024 at 11:00 A.M.** in the **Conference Hall**, Main Secretariat, through to transact the Ordinary Business:

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

To receive, consider and adopt the Financial Statement for the Financial Year ending on 31st March, 2023 with the Board's Report and Independent Auditors' Report thereon and the comments thereupon of Comptroller and Auditor General of India.

The item in relation to the adoption of the Financial Statements for the Financial Year ending 31st March, 2023 along with the Board's Report and the Independent Auditor's Report thereon and the comments thereupon of the Comptroller & Auditor General of India shall be taken up.

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

“RESOLVED THAT the audited Financial Statements of Shillong Smart City Limited for the Financial Year ended March 31st, 2023 containing the Balance Sheet as at that date, the Statement of Profit & Loss, and the Cash Flow Statement for the year ended on that date together with the Notes and the Reports of the Independent Auditors and the Comments of the Comptroller & Auditor General of India and the Board of Directors Report along with its annexures thereon be and are hereby approved and adopted.”

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

Date: 12/07/2024**Place: Shillong**

**Sd/
Company Secretary**



NOTES:

1. This is the adjourned Meeting of the 4th Annual General Meeting that was held on the 14th of September, 2023.
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 sheets to be duly filled by the Members are annexed herewith.
4. Voting to be by show of hands in the first instance. Every member present in person or by proxy shall have only one vote on a show of hands. Only when a poll is demanded under Section 109, every such member shall have one vote for every share held by him/her (sections 105 to 109 and Articles 15.11 & 15.12)
5. Six members(shareholders) of the Company personally present in the quorum (Article 15.8)
6. 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.
7. Route Map of the venue of the AGM is appended herewith.
8. Statutory registers maintained under Section 170 and Section 189 of the Companies Act, 2013 are open for inspection during the business hours and will also be available at the venue of the AGM.
9. The meeting to which this Notice relates, is held at a shorter notice with the consent of the members.
10. 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: 12/07/2024

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: _____

Email Id: _____ Folio No. /Client Id _____ DP ID _____

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

1. Name: _____ Address: _____

Email ID: _____ Signature _____

or failing him

2. Name: _____ Address: _____

Email ID: _____ Signature _____

or failing him

3. Name: _____ Address: _____

Email ID: _____ Signature _____

as my/~~our~~ proxy to attend and vote (on a poll) for me/~~us~~ and on my/~~our~~ behalf at the Fourth (4th) Annual General Meeting of the Company, to be held on Thursday, the 14th of September, at 3:45 p.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(S)	Vote	
	For	Against
<u>Ordinary Resolutions:</u>		
1. To receive, consider and adopt the Financial Statement for the Financial Year ending on 31st March, 2023 and Directors’ Report and Independent Auditors’ Report thereon and the comments thereupon of Comptroller and Auditor General of India.		
2. To appoint a director in place of Shri Cyril Vanneisanga Darlong Diengdoh (DIN: <u>08380322</u>) who retires by rotation and being eligible, offers himself for reappointment.		
3. To appoint a director in place of Shri Ethelbert Kharmalki (DIN: 08338554) who retires by rotation and being eligible, offers himself for reappointment.		
4. To appoint a director in place of Shri T.V. Krishnamurthy (DIN: 00865600) who retires by rotation and being eligible, offers himself for reappointment.		
5. To fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2023-24 in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013.		
<u>Special Resolution:</u>		
1. To alter the Articles of Association		
2. Appointment of Shri Reiwad Vicharwant Warjri (DIN: 07140248) as a Director of the Company.		

Signed this.....day of..... 2023

Signature of Shareholder

Signature of Proxy holder(s)

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

ATTENDANCE SHEET

4th Annual General Meeting

Reg. Folio/DP & Client No:

No. of Shares Held:

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the Fourth (4th) Annual General Meeting of the Company held on the Thursday, the 14th of September, 2023 at the Conference Hall, Main Secretariat Building at 3:45 p.m.

Member's Name:

Proxy's Name:

Member's/ Proxy's Signature



Installation of Solar at J.N Stadium



DIRECTORS' REPORT

SHILLONG SMART CITY LIMITED

Directors' Report 2022-23

Dear Members,

On behalf of the Board of Directors, we hereby present the 4th Annual Report on the performance of your Company containing Audited Financial Statements together with the Auditors' Report and the Comments of the Comptroller & Auditor General of India for the Financial Year ended 31st March, 2023.

SIGNIFICANT HIGHLIGHTS

1. FINANCIAL HIGHLIGHTS 2022-23:

During the Financial Year 2022-23, the Company has earned a total revenue of ₹ 10,76,90,509 as against ₹ 7,09,28,285 earned in the previous F.Y. 2021-22.

The Company had made a profit of ₹ 38,728,386 during the period under review as against a loss of ₹ 2,33,309 incurred in the previous F.Y. 2021-22.

The Summary of the Financial Performance of the Company for the Financial Year ended 31st March, 2023 as compared to the previous Financial Year ended 31st March, 2022 is as given below:

Particulars	For the Financial Year 2022-23	For the Financial Year 2021-22
Total Income	10,76,90,509	7,09,28,285
Total Expenses	6,64,56,050	5,41,66,098
Profit Before Exceptional and Extraordinary Items and tax	4,12,34,459	1,67,62,186
Less Exceptional Items	-	1,65,09,984
Profit/ Loss Before Tax	5,15,95,404	2,52,202
Less: Current Tax	1,29,54,796	83,973
Less: Deferred Tax	87,778	(401,538)
Net Profit/ Loss After Tax	3,87,28,386	(2,33,309)

1. **CAPITAL STRUCTURE:**

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

2. **DIVIDEND:**

Your Company has decided to plough back its profits into its operations for the current Financial Year.

3. **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 2022-23.

4. **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.

5. **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.

6. **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.

7. **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.

8. HUMAN CAPITAL:

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

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

Your company has inducted 5 interns under the TULIP program during the current Financial Year and a total of 16 Interns under Tulip program from inception to the end of the Financial Year.

9. INDUSTRIAL RELATIONS:

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

10. WOMEN EMPOWERMENT:

Women employees constitutes a major part of your Company's workforce. SSCL celebrated Women's Day on 8th March, 2023 and has been actively supporting women employees.

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

11. 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.

12. 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.

13. 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.

14. 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.

15. CORPORATE GOVERNANCE:

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

16. EXTRACT OF THE ANNUAL RETURN:

As required under the provisions of the Companies Act, 2013, the Annual Return for the Financial Year 2022-23 is hosted on the Company's website and can be accessed from the link <https://sscl.meghalaya.gov.in/annual-report.html> .

17. MEETINGS OF THE BOARD HELD DURING THE PERIOD UNDER REVIEW:

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

Board Meeting Number	Date of the Board Meeting
1 st	13 th Meeting held on 7 th July, 2023
2 nd	14 th Meeting held on 22 nd November, 2023
3 rd	15 th Meeting held on 5 th March, 2024

18. MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES:

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

19. 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.

20. 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.

21. GOVERNMENT AUDIT REVIEW:

The comments of the Comptroller and Auditor General of India (C&AG) under the Companies Act, 2013, on the accounts of the Company for the year ended 31st March, 2023 is placed in the printed Annual Accounts of the Company.

22. BOARD OF DIRECTORS:

SSCL being a Government Company, appointment/nomination of all the Directors is done by the Government of Meghalaya. As on 31st March, 2023 there were Fifteen Directors out of which 11 non-executive Directors as Government Nominee Directors, one Independent Director and two Functional 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.

Three meetings of the Board of Directors were held during the financial year 2022-2023 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.

23. 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.

24. 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.

25. DIRECTORS RESPONSIBILITY STATEMENT:

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

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2021 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.
- e) The Directors have laid down internal financial controls which are being followed by the company and that such internal financial controls are adequate and are operating effectively.
- f) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

26. ACKNOWLEDGEMENT:

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

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

For and on behalf of the Board of Directors'

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

Sd/-
D Shri P.K. Boro
Director
DIN: 10630281

Place: Shillong
Date: 25.06.2024



ANNEXURE - I

ANNEXURE -I**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL PERIOD
ENDED 31ST MARCH, 2023****[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:**

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**All the business activities contributing 10% or more of the total turnover of the company shall be stated:**

SL NO.	Name and description of 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

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

A. CATEGORY WISE SHAREHOLDING:

Category of the Shareholder	No. of Shares held at the beginning of the year [As on 01-04-2022]				No. of shares held at the end of the year [As on 31-03-2023]				% change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt		49,900	49,900	49.9%		49,900	49,900	49.9%	-
d) Bodies Corporate									
e) Banks/ FI									
f) Any other									
Sub- total (A) (1)									
2) Foreign									
a) NRIs- Individual									
b) Other Individuals									
c) Bodies Corporate									
d) Any other (Urban Affairs Department, Meghalaya)		50,100	50,100	50.10%		50,100	50,100	50.10%	-

Sub- total (A) (2)									
TOTAL (A)		1,00,000	1,00,000	100%		1,00,000	1,00,000	100%	-
B. Public Shareholding									
1. Institutions									
a) Mutual Fund									
b) Banks/ FI									
c) Central Govt									
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
SUB TOTAL (B)(1)									
2. Non-Institutions									
a) Bodies Corporate									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh									
c) OTHERS									
SUB- TOTAL B (2)									

TOTAL SHAREHOLDING OF PROMOTER(B) = (B)1 + (B) 2									
C) Shares held by custodian for GDRs & ADRs									
GRAND TOTAL (A+ B+ C)									

ii. SHAREHOLDING OF PROMOTERS:

SI 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: 1.Commissioner & Secretary, Urban Affairs Department 2.Director, Urban Affairs Department 3.Architect, Urban Affairs Department 4.Chief Financial Advisor, Urban Affairs Department 5.Assistant Urban Planner,	50,100	50.10	-	50,100	50.10	-	Nil

Urban Affairs Department							
6.Executive Engineer, Urban Affairs Department							
TOTAL	1,00,000	100	-	1,00,000	100		Nil

C. CHANGE IN PROMOTERS' SHAREHOLDING: There was no change in the promoters 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				

D. SHAREHOLDING PATTERN OF TOP SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS, HOLDERS OF GDRS AND ADRS):

Not applicable 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
(From each one separate)				
At the beginning of the year				
Date wise change				
At the end of the year				

E. SHAREHOLDING OF DIRECTORS AND KEYMANAGERIAL PERSONNEL:

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

	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
(From each one separate)				
At the beginning of the year				
Date wise change				
At the end of the year				

V. INDEBTNESS: Not applicable for the period under review: Not applicable for the period under review:

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

SI No.	Particulars of Remuneration	Names of the Directors	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income – Tax Act		
	(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)	Stock Option		
(3)	Sweat Equity		
(4)	Commission as % of profit, others, specify		
(5)	Others, please specify		
	TOTAL (A)		
	Ceiling as per the Act		

B. REMUNERATION TO OTHER DIRECTORS: NIL

SL NO.	PARTICULARS OF REMUNERATION	NAME OF MD/ WTD/MANAGER/DIRECTOR	TOTAL AMOUNT
1.	Independent Directors	Natalie West Kharkongor	Natalie West Kharkongor
	Fee for attending board/ committee meetings	15,000	15,000
	Commission	-	-
	Others, please specify	-	-
	TOTAL		-
2.	Other Non-Executive Directors	-	-
	Fee for attending board/ committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	TOTAL	15,000	15,000

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

SI No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL (₹)	
		CEO	CS
1.	Gross Salary		
	(c) Salary as per provisions contained in section 17(1) of the Income – Tax Act	63,39,090	12,90,258
	(d) 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)	Stock Option		
(3)	Sweat Equity		
(4)	Commission as % of profit, others, specify		
(5)	Others, please specify		
	TOTAL (A)	63,39,090	12,90,258

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)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

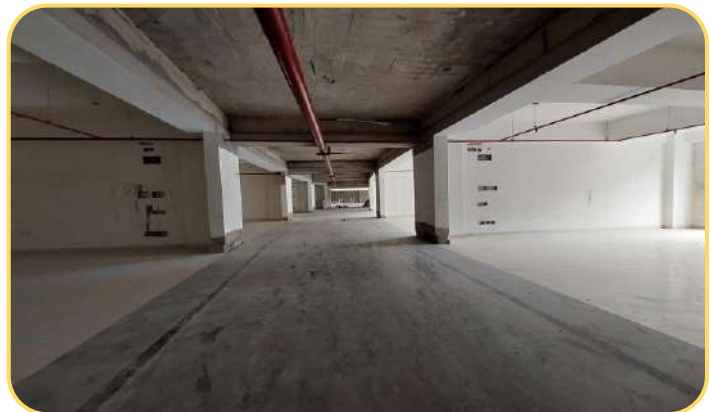
**For and of behalf of the Board of Directors'
Shillong Smart City Limited**

For and on behalf of the Board of Directors'

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

Sd/-
D Shri P.K. Boro
 Director
 DIN: 10630281

Place: Shillong
 Date: 25.06.2024



Construction of Polo Commercial Complex

FINANCIAL STATEMENTS

- Independent Auditor's Report on Financial Statements.
- Management Reply to the Comments on the Independent Auditor's Report.
- Annexure A, B & C.
- Comments of the C&AG.
- Management Reply to the Comments of the C&AG.



INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT

To,
The Members of Shillong Smart City Limited
Shillong

Report on the Audit of the Standalone Financial Statements

1. Qualified Opinion

1.1 We have audited the standalone financial statements of **Shillong Smart City Limited** (“the Company”), which comprise the Balance Sheet as at **31st March, 2023**, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

1.2 In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the **Basis for Qualified Opinion** section of our report, the aforesaid financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2023 and profit/loss, and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

2.1 **Procurement of Litter Picking Machine/Vehicle:** During FY 2022-23, Rs. **4,12,04,810/-** was spent on purchase of Litter Picking Machine/Vehicle via Shillong Municipal Board. Although, the machines have already been delivered, however, the same has been continued to be shown under Capital Work in Progress (CWIP) and not booked as fixed asset. This in our opinion has resulted in understatement of Assets and overstatement of CWIP by Rs. **4,12,04,810/-**.

Also, the temporary registration certificate and insurance document so issued against these machines/vehicles are in the name of **CEO, Shillong Municipal Board and not in the name of Shillong Smart City Limited** who financed the purchase of these machines/vehicles.

2.2 **Implementation of Integrated Command and Control Centre and Smart Elements in Shillong (ICCC):** Out of total cumulated bills of Rs. 59.01

Crores, only Rs. 50.15 Crores have been accounted for in the books of accounts. This has resulted in under-booking of Capital Work in Progress and Current Liabilities by **Rs. 8.86 Crores**.

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

- 4.1 The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance, but does not include the standalone financial statements and our auditors' report thereon.
- 4.2 Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 4.3 In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materiality inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- 4.4 If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Key Audit Matters:

5.1 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

- (a) In the 10th Board of Directors Meeting dated 20.10.2022, the Board approved re-allocation of Rs. 25 Crores from A&OE Funds to Project Funds. Although, no such re-allocation was actually carried out as on 31.03.2023, the Company is yet to inform the MoHUA about such Board resolution.
- (b) **Construction and Re-Development of Laitumkhrah Municipal Market at Laitumkhrah, Shillong:** The GST Rate on Works Contract was enhanced from 12% to 18% w.e.f. 01.01.2022. However, as two bills in total amounting to Rs. 2,72,76,021/- were already released before 01.01.2022 with effective GST Rate of 12%, this has resulted in excess budgeting for this project by Rs. $(2,72,76,021/- \times 6\%) = \text{Rs. } 16,36,561.00$. As the Company makes all its payments based on actual bills raised by contractors, this does not bear any financial implication, however, the Company should re-draw its budgets accordingly to optimize the allocation of its resources.
- (c) There is a Shortfall in Performance Guarantee (PG) for the following projects as on 31.03.2023.

Sl. No.	Name of Project	Rate of PG	Contract Value	PG Requirement	PG Provided	Shortfall
1	Dev. Of Office Cum Automated Multilevel Car Parking, Mawkhar	3%	22.62 Cr.	67.86 Lacs.	60.90 Lacs	6.96 Lacs

2	Polo Commercial Complex	2%	85.03 Cr.	170.06 Lacs	150.00 Lacs	20.06 Lacs
3	Rain Water Harvest	3%	39.12 Cr.	117.36 Lacs	70.95 Lacs	46.41 Lacs

(d) The following Performance Guarantee has not been drawn in favour of Shillong Smart City Ltd. (SSCL) although the financial obligation rests with SSCL.

Name of Project	Rate	Contract Value	PG Requirement	PG made in favour of
Construction of 6Km Road	3%	78.50 Cr.	235.50 Lakhs	C.E. (PWD) Roads
Construction of 6Km Road	5%	78.50 Cr.	392.50 Lakhs (Mob. Adv)	C.E. (PWD) Roads
Smart Pedestrian Walkways – 16 East Shillong	3%	5.00 Cr.	15 Lakhs	Shillong Municipal Board (SMB)
Rejuvenation & Improvement of Natural Storm Drains – 18 West Shillong	3%	5.00 Cr.	15 Lakhs	Shillong Municipal Board (SMB)
Improvement & Upgradation of Drainage System – 19 South Shillong	3%	5.00 Cr.	15 Lakhs	Shillong Municipal Board (SMB)
ICCC	3%	151.77 Cr.	455.31 Lakhs	MITS
Open Air-Gym	3%	5.00 Cr.	15.00 Lakhs	Director – Urban Affairs
Purchase of Equipment – Solid Waste Mgt.	3%	16.00 Cr.	48.00 Lakhs	Shillong Municipal Board (SMB)

(e) **Engineering, Supply, Installation, Site-Development and Commissioning of Un-segregated Waste Disposal Plants:**

Project Cost – Rs. 16 Crores.

- Mobilisation advance of Rs. 3.20 Crores was provided to the contractor without any Bank Guarantee but on the basis of an undertaking from Shillong Municipal Board to cover the risk.
- No Security Deposit was deducted from payment of Rs. 11.20 Crores to the contractor during FY 2022-23.
- Earnest Money Deposit of Rs. 16 Lakhs has been pledged to CEO Shillong Municipal Board and not in favor of Shillong Smart City Ltd.

(f) **Design, Building, Operate, Maintain and Transfer of Mechanised Multi-Level Car Parking at Mothpran, Shillong:**

No security deposit was deducted on release of running bill of Rs. 73,16,000/- on 01.01.2023.

(g) **Supply & Installation of Open-Air Gym (Outdoor) Equipment at various locations in Shillong:**

No certified copies of Tender Evaluation Document or Financial Bid documents were made available as was sought for.

(h) **MTC Police Bazar Project:**

- As per para 11.8 of the multi-party agreement executed between Shillong Smart City Ltd., Meghalaya Urban Development Agency (MUDA), Meghalaya Transport Corporation (MTC), and Transport Dept., Shillong Smart City Ltd. is to deposit in total Rs. 90 Crores in the account of the MUDA. Of this Rs. 90 Crores, an amount of Rs. 20 Crores have already been transferred to MUDA. This in our opinion is a violation of point no. 2 (ix) of Advisory No. 15 dated 14.01.2019 issued by Ministry of Housing and Urban Affairs, Govt. of India.
- As per para 12.4 of the same agreement a revenue sharing model has been devised and made a part of this agreement as Schedule – B. However, we have not found any such Schedule attached to the said agreement.

- (i) **Implementation of Integrated Command and Control Centre and Smart Elements in Shillong (ICCC):** Labour Cess and Forest Royalty was not deducted on the following bills as on 31.03.2023:

Running Bill	Labour Cess	Forest Royalty
3 rd RAR	349799.62	209344.00
7 th RAR	233199.75	36203.00
10 th RAR	233200.63	21765.00
Total Rupees	816200.00	267312.00

- (j) **Construction of 6 Km Smart Roads (Phase 1) in Shillong under Smart City Mission, Shillong:**

- As per the contract agreement, Mobilisation Advance is to be released in two or more instalment. However, in this case, such advance was released in one shot on 01.04.2022 amounting to Rs. 3.92 Crores.

- (k) Attention is drawn to Notes to Accounts Point No. R – “Prior Period Expenses” whereby the Company has disclosed reversal of such Prior Period Expenses by Rs. 1,03,60,945.00 during FY 2022-23.

- (l) Attention is also drawn to Notes to Accounts Point No. T – “Deferred O&M Expenses” where the Company has disclosed creation of deferred expenses of Rs. 73,18,00,000.00 on the basis of Govt. of India, MoHUA Letter dated 19.01.2022.

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

6. Responsibility of Management for Standalone Financial Statements

6.1 The Company’s Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the

Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

6.2 This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

7.4 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

8. Report on Other Legal and Regulatory Requirements

8.1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

8.3 As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place: Shillong

Date: 23.11.2023

ICAI UDIN: 23303776BGTSHA7763

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

Management Reply to the Observations of the Statutory Auditor on the Financial Statements for the F.Y. 2022-23		
Audit Observation	Audit Observation	SSCL Management Reply
QUALIFIED OPINIONS		
1.	<p>2.1 Procurement of Litter Picking Machine/Vehicle: During FY 2022-23, Rs. 4,12,04,810/- was spent on purchase of Litter Picking Machine/Vehicle via Shillong Municipal Board. Although, the machines have already been delivered, however, the same has been continued to be shown under Capital Work in Progress (CWIP) and not booked as fixed asset. This in our opinion has resulted in understatement of Assets and overstatement of CWIP by Rs. 4,12,04,810/-.</p> <p>Also, the temporary registration certificate and insurance document so issued against these machines/vehicles are in the name of CEO, Shillong Municipal Board and not in the name of Shillong Smart City Limited who financed the purchase of these machines/vehicles.</p>	<p>The matter of registering the litter picking machines in the name of SSCL is being put up to the Board of Directors in the meeting scheduled for 22nd November 2023.</p> <p>The decision of the Board of Directors in this regard shall be followed.</p>
2.	<p>2.2 Implementation of Integrated Command and Control Centre and Smart Elements in Shillong (ICCC): Out of total cumulated bills of Rs. 59.01 Crores, only Rs. 50.15 Crores have been accounted for in the books of accounts. This has resulted in under-booking of Capital Work in Progress and Current Liabilities by Rs. 8.86 Crores.</p>	<p>As per the Internal Auditors advice, 20% of the supply and delivery <u>bill has not been admitted</u> by SSCL. Hence, the same has not been accounted as liability in SSCL books.</p>
KEY AUDIT MATTERS		
3.	<p>5 (a) In the 10th Board of Directors Meeting dated 20.10.2022, the Board approved re-allocation of Rs. 25 Crores from A&OE Funds to Project Funds. Although, no such re-allocation was actually carried out as on 31.03.2023, the Company is yet to inform the MoHUA about such Board resolution.</p>	<p>A need for additional project funds was envisioned in the third quarter of FY 22-23. With the total smart city mission project funds fully committed and</p>

		<p>likely saving in the A&OE funds, it was intended to transfer A&OE funds to project funds.</p> <p>Accordingly, the approval of Board of Directors was taken to transfer funds from A&OE to project.</p> <p>However, due to change in scenario, the need for additional project funds has not arisen to-date. If the need does arise in future, then transfer of funds from A&OE to project shall be initiated only after informing MOHUA.</p>
	<p>5(b) Construction and Re-Development of Laitumkhrah Municipal Market at Laitumkhrah, Shillong: The GST Rate on Works Contract was enhanced from 12% to 18% w.e.f. 01.01.2022. However, as two bills in total amounting to Rs. 2,72,76,021/- were already released before 01.01.2022 with effective GST Rate of 12%, this has resulted in excess budgeting for this project by Rs. (2,72,76,021/- X 6%) = Rs. 16,36,561.00. As the Company makes all its payments based on actual bills raised by contractors, this does not bear any financial implication, however, the Company should re-draw its budgets accordingly to optimize the allocation of its resources.</p>	<p>As advised, we shall redraw the budget. However, it is brought out that all budgets were made on estimated figures including this one.</p> <p>However, the payments are being done as per actual bills ONLY.</p>
	<p>(c) There is a Shortfall in Performance Guarantee (PG) for the following projects as on 31.03.2023.</p>	<p>The concerned contractors have been informed to submit the additional (short</p>

Sl. No .	Name of Project	Rate of PG	Contract Value	PG Requirement	PG Provided	Short fall																					
1	Dev. Of Office Cum Automated Multilevel Car Parking, Mawkhar	3%	22.62 Cr.	67.86 Lacs.	60.90 Lacs	6.96 Lacs	fall) Performance Bank guarantee as early as possible. Action has also been taken to put on hold the contractor's due payments until the additional (short fall) Performance security is submitted.																				
2	Polo Commercial Complex	2%	85.03 Cr.	170.06 Lacs	150.00 Lacs	20.06 Lacs																					
3	Rain Water Harvest	3%	39.12 Cr.	117.36 Lacs	70.95 Lacs	46.41 Lacs																					
<p>(d) The following Performance Guarantee has not been drawn in favour of Shillong Smart City Ltd. (SSCL) although the financial obligation rests with SSCL.</p> <table border="1"> <thead> <tr> <th>Name of Project</th> <th>Rate</th> <th>Contract Value</th> <th>PG Requirement</th> <th>PG made in favour of</th> </tr> </thead> <tbody> <tr> <td>Construction of 6Km Road</td> <td>3%</td> <td>78.50 Cr.</td> <td>235.50 Lakhs</td> <td>C.E. (PWD) Roads</td> </tr> <tr> <td>Construction of 6Km Road</td> <td>5%</td> <td>78.50 Cr.</td> <td>392.50 Lakhs (Mob. Adv)</td> <td>C.E. (PWD) Roads</td> </tr> <tr> <td>Smart Pedestrian Walkways – 16 East Shillong</td> <td>3%</td> <td>5.00 Cr.</td> <td>15 Lakhs</td> <td>Shillong Municipal Board (SMB)</td> </tr> </tbody> </table>							Name of Project	Rate	Contract Value	PG Requirement	PG made in favour of	Construction of 6Km Road	3%	78.50 Cr.	235.50 Lakhs	C.E. (PWD) Roads	Construction of 6Km Road	5%	78.50 Cr.	392.50 Lakhs (Mob. Adv)	C.E. (PWD) Roads	Smart Pedestrian Walkways – 16 East Shillong	3%	5.00 Cr.	15 Lakhs	Shillong Municipal Board (SMB)	<p>Noted.</p> <p>Various departments such as PWD, SMB, MITS have been appointed as the implementing agencies after obtaining approval from the Competent Authority. The appointment of implementing agencies was done in full compliance to the advisory No. 15 dated 14th January 2019 issued by the Ministry of Housing and Urban Affairs (MoHUA).</p> <p>To safe guard the interest of SSCL, proposal as an Agenda Item to add the following clause in the</p>
Name of Project	Rate	Contract Value	PG Requirement	PG made in favour of																							
Construction of 6Km Road	3%	78.50 Cr.	235.50 Lakhs	C.E. (PWD) Roads																							
Construction of 6Km Road	5%	78.50 Cr.	392.50 Lakhs (Mob. Adv)	C.E. (PWD) Roads																							
Smart Pedestrian Walkways – 16 East Shillong	3%	5.00 Cr.	15 Lakhs	Shillong Municipal Board (SMB)																							

	Rejuvenation & Improvement of Natural Storm Drains – 18 West Shillong	3%	5.00 Cr.	15 Lakhs	Shillong Municipal Board (SMB)	signed Tripartite Agreements with implementing agencies is placed in the 14th Board of Directors Meeting scheduled for 22nd November 2023.
	Improvement & Upgradation of Drainage System – 19 South Shillong	3%	5.00 Cr.	15 Lakhs	Shillong Municipal Board (SMB)	<i>“in the unlikely event the Performance Guarantee is en-cashed by the implementing agency, the entire en-cashed amount will be transferred to the account of SSCL within 7 days of such encashment.”</i>
	ICCC	3%	151.77 Cr.	455.31 Lakhs	MITIS	
	Open Air-Gym	3%	5.00 Cr.	15.00 Lakhs	Director – Urban Affairs	
	Purchase of Equipment – Solid Waste Mgt.	3%	16.00 Cr.	48.00 Lakhs	Shillong Municipal Board (SMB)	
	(e) Engineering, Supply, Installation, Site-Development and Commissioning of Un-segregated Waste Disposal Plants: Project Cost – Rs. 16 Crores. <ul style="list-style-type: none"> Mobilisation advance of Rs. 3.20 Crores was provided to the contractor without any Bank Guarantee but on the basis of an undertaking from Shillong Municipal Board to cover the risk. 					<p>Noted.</p> <p>Inadvertently, the security deposit was not deducted and the same will be recovered along with the next bill.</p> <p>To safe guard the interest of SSCL,</p>

	<ul style="list-style-type: none"> • No Security Deposit was deducted from payment of Rs. 11.20 Crores to the contractor during FY 2022-23. • Earnest Money Deposit of Rs. 16 Lakhs has been pledged to CEO Shillong Municipal Board and not in favor of Shillong Smart City Ltd. 	<p>proposal as an Agenda Item, to add the following clause in the signed Tripartite Agreements with implementing agencies is placed in the 14th Board of Directors Meeting scheduled for 22nd November 2023.</p> <p><i>“in the unlikely event the Performance Guarantee is en-cashed by the implementing agency, the entire en-cashed amount will be transferred to the account of SSCL within 7 days of such encashment.”</i></p>
	<p>(f) Design, Building, Operate, Maintain and Transfer of Mechanised Multi-Level Car Parking at Mothpran, Shillong: No security deposit was deducted on release of running bill of Rs. 73,16,000/- on 01.01.2023.</p>	<p>Inadvertently, the security deposit was not deducted and the same will be recovered along with the next bill.</p>
	<p>(g) Supply & Installation of Open-Air Gym (Outdoor) Equipment at various locations in Shillong: No certified copies of Tender Evaluation Document or Financial Bid documents were made available as was sought for.</p>	<p>Urban Affairs Department (UAD) has been appointed as the Implementation Agency. SSCL vide its letter No. SSCL/Open Air Gyms/22-23/14 dated 20th Oct 2023 has sought</p>

		<p>information regarding the Tender Evaluation and Financial Bid documents. The same is awaited from UAD.</p>
	<p>(h) MTC Police Bazar Project:</p> <ul style="list-style-type: none"> As per para 11.8 of the multi-party agreement executed between Shillong Smart City Ltd., Meghalaya Urban Development Agency (MUDA), Meghalaya Transport Corporation (MTC), and Transport Dept., Shillong Smart City Ltd. is to deposit in total Rs. 90 Crores in the account of the MUDA. Of this Rs. 90 Crores, an amount of Rs. 20 Crores have already been transferred to MUDA. This in our opinion is a violation of point no. 2 (ix) of Advisory No. 15 dated 14.01.2019 issued by Ministry of Housing and Urban Affairs, Govt. of India. As per para 12.4 of the same agreement a revenue sharing model has been devised and made a part of this agreement as Schedule – B. However, we have not found any such Schedule attached to the said agreement. 	<p>SSCL is a Party to the development of Business Cum Tourism and Cultural Centre. Out of the total project cost of Rs 211.87 crores, SSCL share is Rs 90.00 crores. As a part of the agreement, an amount of Rs 20.00 crores has been transferred to MUDA on 01st February 2022. SSCL being part of the development, payment of Rs 20.00 Cr is not a violation of Advisory No. 15 dated 14.01.2019 issued by Ministry of Housing and Urban Affairs, Govt. of India.</p> <p>As per Clause 12.5 of the agreement, the revenue sharing is only to start after obtaining loan clearance certificate from HUDCO. As this likely to take few years after the completion of the building, the discussion regarding revenue sharing not only for Polo commercial</p>

		complex but others is also under the consideration of the government. Once decided by the government, the missing Schedule B shall be signed and annexed to the agreement and adhered to.															
	<p>(i) Implementation of Integrated Command and Control Centre and Smart Elements in Shillong (ICCC): Labour Cess and Forest Royalty was not deducted on the following bills as on 31.03.2023:</p> <table border="1"> <thead> <tr> <th>Running Bill</th> <th>Labour Cess</th> <th>Forest Royalty</th> </tr> </thead> <tbody> <tr> <td>3rd RAR</td> <td>349799.62</td> <td>209344.00</td> </tr> <tr> <td>7th RAR</td> <td>233199.75</td> <td>36203.00</td> </tr> <tr> <td>10th RAR</td> <td>233200.63</td> <td>21765.00</td> </tr> <tr> <td>Total Rupees</td> <td>816200.00</td> <td>267312.00</td> </tr> </tbody> </table>	Running Bill	Labour Cess	Forest Royalty	3rd RAR	349799.62	209344.00	7th RAR	233199.75	36203.00	10th RAR	233200.63	21765.00	Total Rupees	816200.00	267312.00	The same has been deducted and deposited with the respective departments in FY 23-24.
Running Bill	Labour Cess	Forest Royalty															
3rd RAR	349799.62	209344.00															
7th RAR	233199.75	36203.00															
10th RAR	233200.63	21765.00															
Total Rupees	816200.00	267312.00															
	<p>(i) Construction of 6 Km Smart Roads (Phase 1) in Shillong under Smart City Mission, Shillong:</p> <ul style="list-style-type: none"> As per the contract agreement, Mobilisation Advance is to be released in two or more instalment. However, in this case, such advance was released in one shot on 01.04.2022 amounting to Rs. 3.92 Crores. <p>(k) Measurement Books/Sheets as produced before us do not have the date columns. Also, such Measurement Books/Sheets are attached only with Running Bills, thus between two such consecutive running bills, there are no underlying periodical records of works being carried out.</p>	<p>Mobilization advance was released to the Contractor against the submission of unconditional bank guarantee of the equivalent amount. Hence, there is no risk to SSCL.</p> <p>Date in the abstract.</p> <p>Between two running bills there are no underlying documents other than RFI (Request for Inspection).</p>															



Construction of Laitumkhrah Commercial Complex



ANNEXURE A, B & C

Annexure – A to Independent Auditors’ Report of Shillong Smart City Limited for the Financial Year ended 31st March, 2023

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

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

- (i)
 - (a) the Company has maintained proper records showing full particulars, quantitative details and situations of fixed assets.
 - (b) No physical verification of fixed assets was undertaken by the management during the year under audit.
 - (c) The Company does not hold any immovable property and there is no question of the title deed being held in the name of the company.
- (ii) As explained to us, there is no inventories to be reported by the Management as on 31.03.2023.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause (iii) (a), (b) and (c) of the Order are not applicable to the company.
- (iv) According to the information and explanations given to us, the Company has neither advanced any loan including any loan represented by a book debt, to any of its directors or to any other person in whom director is interested, nor made any investment during the reporting period, hence the said Clause (iv) of the Order is not applicable to the company.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year in accordance with the provisions of section 73 to 76 of the Act and rules framed there under. Accordingly, the provisions of Clause (v) (a), (b) and (c) of the Order are not applicable to the Company.
- (vi) As explained to us, the Central Government has specified for the maintenance of Cost Records under sub section (1) of section 148 of the Companies Act, 2013. However, we have been informed that the same not specified to be maintained to the company.

- (vii) (a) According to the information and explanations given to us and according to the books and records, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Goods & Service Tax, duty of Customs, cess and any other statutory dues to the appropriate authorities.
- (viii) According to the information and explanations given to us, the Company is not covered under the ambit of the Provident Funds and Miscellaneous Provisions Act, 1952 and the ESI Act, 1948 as the number of employees are less than the threshold specified by the Act.
- (ix) The company has not taken any loan or borrowings from financial institutions, bank, Government; hence the said Clause (viii) of the Order is not applicable.
- (x) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans and hence the said Clause (ix) of the Order is not applicable.
- (xi) As informed and reported to us there is no fraud by the Company or any fraud on the company by its officers or employees noticed or reported during the year and hence the said Clause (x) of the Order is not applicable.
- (xii) According to the information and explanations given to us, as the Company is a Government Company, the provisions of section 197 of the Companies Act 2013 read with Schedule V to the Companies Act with respect to Managerial Remuneration does not apply to it.
- (xiii) The Company is not a Nidhi Company, hence the said Clause (xii) of the Order is not applicable.
- (xiv) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013.
- (xv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence the said clause (xiv) of the Order is not applicable.



- (xvi) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the said Clause (xv) of the Order is not applicable.
- (xvii) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as it does not carry-on business of a non-banking financial institution.

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

**Place: Shillong
Date: 23.11.2023
UDIN: 23303776BGTSHA7763**

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

Annexure – B to Independent Auditors’ Report of Shillong Smart City Limited for the Financial Year ended 31st March, 2023

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

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

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

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

Place: Shillong
Date: 23.11.2023
UDIN: 23303776BGTSHA7763

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

Annexure – C to Independent Auditors’ Report of Shillong Smart City Limited for the financial year ended 31st March, 2023

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

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

We have audited the internal financial Controls Over Financial Reporting of Shillong Smart City Limited (“the Company”) as of **31 March 2023** in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Managements Responsibility for Internals financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial controls over financial reporting (‘the Guidance Note’) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all materials respects.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- i) Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and
- iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal financial Controls over Financial Reporting

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

Emphasis of Matter

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

Opinion:

In our opinion, the Company has maintained, in all material respect, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of **March 31, 2023**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

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

Place: Shillong

Date: 23.11.2023

UDIN: 23303776BGTSHA7763

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



Construction of Multi-Level Car Parking, Mawkhar



COMMENTS OF THE C & AG

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA UNDER SECTION 143(6)(b) OF THE COPANIES ACT, 2013
ON THE FINANCIAL STATEMENTS OF THE SHILLONG SMART
CITY LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

The preparation of financial statements of **Shillong Smart City Limited** for the year ended **31 March 2023** 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 Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing an opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the auditing standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **23 November 2023**.

1. On the Behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial Statement of **Shillong Smart City Limited** for the year ended **31 March 2023** 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 the related audit report.

A. Balance Sheet

Assets

Property, Plant and Equipment (Note No.8)

Intangible Assets

Computer Software (net block)- ₹ 5.75 lakh

1. The company has paid a total subscription of ₹ 4.48 lakh during 2021-22 (₹ 2.24 lakh) and 2022-23 (₹ 2.24 lakh) for renewal of the computer software on annual basic, which should have been charged to 'revenue' each year in the 'profit and loss account'. The Company, however, wrongly capitalised the said amount under the above head and charged depreciation (₹ 0.51 lakh) thereon during the two years instead of charging the said amount to 'revenue'. This has resulted in overstatement of the above head (Intangible Assets-Computer Software-net block) by ₹ 3.47 lakh and overstatement of the 'Depreciation' by ₹ 0.51 lakh with corresponding overstatement of the 'profit for the year' by ₹ 3.47 lakh.

B. Statement of Profit & Loss**Income****Other Income (Note No. 14)****A&OE received from Govt. utilised for A&OE purpose - ₹ 8.01 crore.**

As per the Smart City Scheme Guidelines (*refer para 11.4*), 93 per cent of the Scheme funding released by the Central Government, was to be utilised towards the project cost and balance (*7 per cent¹*) on Administrative and Office Expenses (A&OE) relating to the Scheme. During the current year (2022-23), the Company spent ₹ 8.01 crore towards A&OE as against ₹ 5.20 crore available for A&OE under the Scheme and irregularly recouped the difference (₹ 2.81 crore) from the 'Project Fund' received under the Scheme contrary to the Scheme guidelines. This has resulted in overstatement of Other Income and understatement of 'Project Fund' under Other Long-Term Liabilities (Note-4) by ₹ 2.81 crore each with corresponding overstatement of the 'Profit for the year' to the same extent.

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

Sd/-

(Shefali S.Andaleeb)

Pr. Accountant General (Audit), Meghalaya

Place: Shillong

Date: 1 April 2024

**MANAGEMENT REPLY TO THE COMMENTS OF THE C&AG ON THE
FINANCIAL STATEMENTS OF SHILLONG SMART CITY LIMITED
FOR THE YEAR ENDED 31 MARCH 2023**

POS No.	Comments	Reply of the Management
1.	<p>Balance Sheet</p> <p>Assets</p> <p>Property, Plant and Equipment (Note No. 8)</p> <p>Intangible Assets</p> <p>Computer Software - ₹ 5.75 lakh</p> <p>The Company had paid a total subscription of ₹ 4.48 lakh during 2021-22 (₹ 2.24 lakh) and 2022-23 (₹ 2.24 lakh) for renewal of the computer software on annual basis, which should have been charged to 'revenue' each year in the 'profit and loss account'. The company, however, wrongly capitalized the said amount under the above head and charged depreciation (₹ 0.51 lakh) thereon during the two years instead of charging the said amount to 'revenue'. This has resulted in over statement of the above head (Intangible Assets-Computer Software-net Block) by ₹ 3.47 lakh and over statement of the 'depreciation' by ₹ 0.51 lakh with corresponding overstatement of the 'Profit for the year' by ₹ 3.47 lakh.</p>	<p>We have noted this point and shall carry out the rectification with retrospective effect in the current financial year ending 31st March, 2024.</p>
2.	<p>Statement of Profit & Loss Income</p> <p>Other Income (Note No. 14)</p> <p>A & OE received from Govt. utilised for A & OE purpose - ₹ 8.01 crore</p> <p>As per the Smart City Scheme Guidelines (<i>refer para 11.4</i>), 93 per cent of the Scheme funding released by the Central Government, was to be utilised towards the project cost and balanced (7 per cent) on</p>	<p>As per Para 12 of AS – 12 "Accounting for Government Grants", "Government grants that are receivable as compensation for expenses or losses incurred in a previous accounting period or for the purpose of giving immediate financial support to the enterprise with no further related costs, should be recognised and disclosed in the profit and loss statement of the period in which they are</p>

<p>Administrative and Office Expenses (A&OE) relating to the Scheme. During the current year (2022-23), the company spent ₹ 8.01 crore towards A&OE as against ₹ 5.20 crore available for A&OE under the Scheme and irregularly recouped the difference (₹ 2.81 crore) from the 'Project Fund' received under the Scheme contrary to the Scheme guidelines. This has resulted in overstatement of Other Income and understatement of 'Project Fund' under Other Long-Term Liabilities (Note-4) by ₹ 2.81 crore each with corresponding overstatement of the 'Profit for the year' to the same extent.</p>	<p>receivable, as an extraordinary item if Appropriate".</p> <p>Accordingly, the same has been booked as Income in the Statement of Profit & Loss Account. Hence, we would request you to drop the comment as A&OE Grants are since receivable,</p> <p>Also, since these payments cannot be held for too long, it cannot be shown as payables. Further, we have reported about fund utilization from Projects for payment of Administrative and Other Expenses (A&OE) to the Government during submission of Utilization Certificates. As and when we receive the next tranche of A&OE Grants, the Project Grants will be replenished.</p> <p>The deficit in grants is a temporary deficit and the same is normally made good by the Government in the next financial year subject to the maximum 5% as allocated to the Administrative and Office expenses (A&OE) under the SCM Guidelines.</p>
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Retrofitting of Anjalee Parking Lot

FINANCIAL STATEMENTS

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

SHILLONG SMART CITY LIMITED			
CIN:U93000ML2019SGC013677			
Regt. Off.:H/No. C/B- 037, Top Floor, Centre Nongrim Hills, Near JJ Cables, Shillong, East Khasi Hills, Meghalaya-793003			
BALANCE SHEET AS AT MARCH 31, 2023			
Particulars	Note No.	As at March 31, 2023 Rs.	As at March 31, 2022 Rs.
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	1	10,00,000	10,00,000
b) Reserves and surplus	2	2,75,21,89,175	74,91,97,548
c) Money received against share warrants		-	-
		2,75,31,89,175	75,01,97,548
2 Share application money pending allotment			
		-	-
3 Non-current liabilities			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (net)	3	-	2,461
c) Other long term liabilities	4	56,38,32,774	1,63,42,18,603
d) Long-term provisions		-	-
		56,38,32,774	1,63,42,21,064
3 Current liabilities			
a) Short-term borrowings		-	-
b) Trade payables		-	-
A) Total outstanding dues of micro enterprises and small enterprises; and		-	-
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	5	4,660	1,30,79,405
c) Other current liabilities	6	7,71,95,924	6,20,64,684
d) Short-term provisions	7	75,74,63,491	5,94,33,099
		83,46,64,075	13,45,77,188
TOTAL		4,15,16,86,024	2,51,89,95,800
II ASSETS			
1 Non-current assets			
a) Property, Plant and Equipment and Intangible assets			
i) Property, Plant and Equipment	8	30,01,125	42,72,550
ii) Intangible assets	8	7,68,309	7,68,309
iii) Capital work-in-progress	9	1,79,50,90,273	55,30,87,589
iv) Intangible Assets under development		-	-
b) Non-current investments		-	-
c) Deferred Tax Assets (net)	10	85,316	-
d) Long-term loans and advances	11	23,51,63,991	24,27,47,656
e) Other non-current assets	12	1,19,69,28,165	68,22,64,703
		3,23,10,37,180	1,48,31,40,807
2 Current assets			
a) Current investments		-	-
b) Inventories		-	-
c) Trade receivables		-	-
d) Cash and cash equivalents	13	92,06,48,844	1,03,58,54,993
e) Short-term loans and advances		-	-
f) Other current assets		-	-
		92,06,48,844	1,03,58,54,993
TOTAL		4,15,16,86,024	2,51,89,95,800
See accompanying notes forming part of the financial statements	1 to 18		
In terms of our Audit Report attached		For and on behalf of the Board of Directors of	
For S S D & Co.		Shillong Smart City Limited	
Chartered Accountants			
FRN: 0326761E			
		Sd/-	Sd/-
		Damera Vijay Kumar	Ethelbert Kharmalki
		Director	Director
		DIN No. 05151831	DIN No. 08338554
Sd/-			
Partner: CA SUMIT DAS		Sd/-	Sd/-
ICAI M.No. 303776		T.V. Rao Krishnamurthy	Archita Chakraborty
UDIN: 23303776BGTSHA7763		CEO/Director	Company Secretary
		DIN No. 00865600	
Place: Shillong			
Date: 23-11-2023			



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, 2023

Particulars		Note No.	For the year ended	For the year ended
			March 31, 2023	March 31, 2022
			Rs.	Rs.
I	Revenue from operations		-	-
II	Other income	14	10,76,90,509	7,09,28,285
III	Total Income (i + ii)		10,76,90,509	7,09,28,285
IV	Expenses :			
	Cost of materials consumed		-	-
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods		-	-
	Work-in-progress and Stock-in-Trade		-	-
	Employee benefits expenses	15	1,19,21,697	1,40,20,224
	Depreciation and amortization expenses	8	12,68,136	11,22,946
	Other expenses	16	5,32,66,217	3,90,22,928
	Total Expenses		6,64,56,050	5,41,66,098
V	Profit before exceptional and extraordinary items and tax		4,12,34,459	1,67,62,186
VI	Add : Exceptional items - Prior Period Expenses	17	1,03,60,945	-
VII	Profit before extraordinary items and tax		5,15,95,404	1,67,62,186
VIII	Less : Extraordinary items - Prior Period Expenses	17	-	1,65,09,984
IX	Profit before tax (VII - VIII)		5,15,95,404	2,52,202
X	Tax expense :			
	1) Current tax		1,29,54,796	83,973
	2) Deferred tax		87,778	(4,01,538)
xii	Profit/(Loss) for the period from continuing operations (IX - X)		3,87,28,386	(2,33,309)
xii	Profit/(Loss) for the period		3,87,28,386	(2,33,309)
	Earnings per equity share		387.28	(2.33)
	Basic and Diluted			
	[Nominal value of equity share Rs. 10/- (Previous Year: Rs. 10/-)]			
	See accompanying notes forming part of the financial statements	1 to 18		
	In terms of our Audit Report attached		For and on behalf of the Board of Directors of	
	For S S D & Co.		Shillong Smart City Limited	
	Chartered Accountants			
	FRN: 0326761E			
			Sd/-	Sd/-
			Damera Vijay Kumar	Ethelbert Kharmalki
			Director	Director
			DIN No. 05151831	DIN No. 08338554
	Sd/-			
	Partner: CA SUMIT DAS		Sd/-	Sd/-
	ICAI M.No. 303776		T.V. Rao Krishnamurthy	Archita Chakraborty
	UDIN: 23303776BGTSHA7763		CEO/Director	Company Secretary
			DIN No. 00865600	
	Place: Shillong			
	Date: 23-11-2023			

SHILLONG SMART CITY LIMITED			
CIN:U93000ML2019SGC013677			
Regt. Off.:H/No. C/B- 037, Top Floor, Centre Nongrim Hills, Near JJ Cables, Shillong, East Khasi Hills, Meghalaya-793003			
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023			
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
	Rs.	Rs.	
Cash flow from Operating Activities			
Profit before tax	5,15,95,404	2,52,202	
Adjustments for:			
Depreciation and amortisation expense	12,68,136	11,22,946	
Finance costs	-	-	
Interest income	(2,75,92,536)	(85,69,852)	
Liabilities / provisions no longer required written back	-	-	
Provision for Taxation	-	-	
Bad debts written off	-	-	
Operating profit before working capital changes	2,52,71,003	(71,94,703)	
Changes in the working capital			
<i>Adjustments for (increase) / decrease in operating assets:</i>			
Trade receivables	-	-	
Short-term loans and advances	-	22,501	
Long-term loans and advances	75,83,665	(17,63,97,656)	
Other current assets	-	-	
Other non-current assets	1,28,167	1,28,167	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>			
Trade payables	(1,30,74,745)	98,79,279	
Other current liabilities	2,44,72,482	(74,74,844)	
Short-term provisions	(4,67,24,404)	2,25,31,785	
Long-term provisions	-	-	
Cash generated from operations	(23,43,831)	(15,85,05,471)	
Net income tax paid	-	-	
(A) Net cash flow from Operating activities	(23,43,831)	(15,85,05,471)	
Cash flow from investing activities			
Capital expenditure on property, plant and equipment	3,289	(11,99,262)	
(Increase)/ decrease in capital work in progress	(1,24,20,02,684)	(49,14,87,191)	
Purchase of investments	-	-	
Interest income(Both on Capital and A&OE Grant)	5,69,72,417	3,43,10,573	
(B) Net cash used in investing activities	(1,18,50,26,978)	(45,83,75,880)	
Cash flow from financing activities			
Increase/(Decrease) in Reserve & Surplus	-	-	
Increase/(Decrease) in Other Long Term Liabilities	(4,47,81,137)	-	
Proceeds from/ (Repayment of) short term Govt Grant (A&OE) (net)	-	-	
Dividends and tax on dividend paid	-	-	
Share Capital (A & OE)	-	-	
Project Grant utilised for A & O E purposes transferred to Project Fund	-	2,37,01,316	
Project Grant utilisation for A & O E purposes	(2,80,54,202)	(1,79,03,120)	
Proceeds/Repayment of long term Govt. Grant (net)	1,14,50,00,000	1,13,00,00,000	
(C) Net cash used in financing activities	1,07,21,64,661	1,13,57,98,197	
Net increase/(decrease) in cash and cash equivalents(A+B +C)	(11,52,06,148)	51,89,16,845	
Cash and cash equivalents at beginning of financial year	1,03,58,54,993	51,69,38,149	
Cash and cash equivalents at end of financial year	92,06,48,844	1,03,58,54,993	
See accompanying notes forming part of the financial statements	1 to 18		
In terms of our Audit Report attached		For and on behalf of the Board of Directors of	
For S S D & Co.		Shillong Smart City Limited	
Chartered Accountants			
FRN: 0326761E		Sd/-	Sd/-
		Damera Vijay Kumar	Ethelbert Kharmalki
		Director	Director
Sd/-		DIN No. 05151831	DIN No. 08338554
Partner: CA SUMIT DAS			
ICAI M.No. 303776		Sd/-	Sd/-
UDIN: 23303776BGTSHA7763		T.V. Rao Krishnamurthy	Archita Chakraborty
		CEO/Director	Company Secretary
		DIN No. 00865600	
Place: Shillong			
Date: 23-11-2023			



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

Notes forming part of the Financial Statements for the year ended March 31, 2023

1 SHARE CAPITAL

PARTICULARS	As at March 31, 2023		As at March 31, 2022		
	Number	Rs.	Number	Rs.	
Authorised Share Capital					
Equity Shares of Rs. 10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000	
	10,00,000	1,00,00,000	10,00,000	1,00,00,000	
Issued, subscribed and fully Paid-up					
Equity Shares of Rs. 10 each	1,00,000	10,00,000	1,00,000	10,00,000	
Total	1,00,000	10,00,000	1,00,000	10,00,000	
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period					
Equity shares					
	As at March 31, 2023		As at March 31, 2022		
	Number	Rs.	Number	Rs.	
At the beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000	
Add: Issued during the year	-	-	-	-	
Outstanding at the end of the year	1,00,000	10,00,000	1,00,000	10,00,000	
b. Terms/ rights attached to equity shares					
(i) The Company has one class of shares referred to as Equity Shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.					
(ii) During the year ended March 31, 2021, the Company has not proposed and declared any amount of dividend to equity shareholders. Hence, there is no dividend.					
(iii) The Company is a Public Limited Co. It is a Special Purpose Vehicle (SPV) created for management of Smart City Mission project of the Ministry of Housing & Urban Affairs of Government of India. The Shareholders of the Company are representatives of Government of Meghalaya and the Urban Affairs Department of the Govt of Meghalaya.					
(iv) In the event of liquidation of the Company, the beneficiaries of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.					
c. There is no holding or ultimate holding company of the Company.					
d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:					
Issued & Subscribed Share Capital includes NIL (previous year NIL) equity shares which were allotted as bonus shares in the preceding five financial years by capitalisation of General Reserve and Surplus. No shares were issued for consideration other than cash and no shares have been bought back during the period of five years immediately preceding the reporting date.					
e. Detail of shareholders holding more than 5% shares in the Company					
Name of the Shareholders	Represented By	As at March 31, 2023		As at March 31, 2022	
		Number	% shareholding	Number	% shareholding
Government of Meghalaya	Chief Secretary, Govt. of Meghalaya	49,900	49.90	49,900	49.90
Urban Affairs Dept. Govt. of Meghalaya	Senior most Secretary, Urban Affair Dept.	49,900	49.90	49,900	49.90
Urban Affairs Dept. Govt. of Meghalaya	Director, Urban Affair Dept.	160	0.16	160	0.16
Urban Affairs Dept. Govt. of Meghalaya	Architech, Urban Affair Dept.	10	0.01	10	0.01
Urban Affairs Dept. Govt. of Meghalaya	Chief Finance and Accounts Officer, Urban Affair Dept.	10	0.01	10	0.01
Urban Affairs Dept. Govt. of Meghalaya	Asstt. Urban Planner, Urban Affair Dept.	10	0.01	10	0.01
Urban Affairs Dept. Govt. of Meghalaya	Executive Engineer, EKH, Urban Affair Dept.	10	0.01	10	0.01
		1,00,000	100	1,00,000	100
Note: Equity shares of the Company are held by the above mentioned persons in their representative capacity of the Government of Meghalaya and Urban Affair Department of the Government of Meghalaya.					
2 RESERVES AND SURPLUS					
PARTICULARS		As at March 31, 2023		As at March 31, 2022	
		Rs.		Rs.	
Capital reserves					
a) Project Fund					
Opening Balance		74,59,46,667		9,99,72,865	
Add: Transferred from Projects Fund to the extent of Project Fund Utilisation filed with Govt.		1,96,42,63,240		64,59,73,801	
Add: Transferred from Profit & Loss Account		-		-	
Less: Reduction with the total Cost of Capital Projects completed & transferred		-		-	
		2,71,02,09,907		74,59,46,666	
b) Other capital reserve					
Capital Reserve Created for Nominal Value of Fixed Assets purchased under Provisional Sum		1		1	
Closing Balance		2,71,02,09,908		74,59,46,667	
Surplus i.e. Balance in the Statement of Profit and Loss					
Balance as per the last financial statements		32,50,881		34,84,190	
Add: Profit/(Loss) for the year transferred from Statement of Profit and Loss		3,87,28,386		(2,33,309)	
Less: Appropriations		-		-	
- Amount transferred to General Reserve		-		-	
Total Appropriations		-		-	
Net Surplus/(Deficit)		4,19,79,267		32,50,881	
Total Reserves and Surplus		2,75,21,89,175		74,91,97,548	
3 DEFERRED TAX LIABILITIES (NET)					
PARTICULARS		As at March 31, 2023		As at March 31, 2022	
		Rs.		Rs.	
Tax effect of items constituting deferred tax liabilities					
On difference between book balance and tax balance of fixed assets		-		1,14,984	
Gross deferred tax liability		-		1,14,984	
Tax effect of items constituting deferred tax assets					
Provision for leave encashment and gratuity		-		1,12,523	
Provision for doubtful receivables and advances		-		-	
Timing difference u/s 43B of the Income Tax Act, 1961		-		-	
Timing difference on unabsorbed depreciation carried forward		-		-	
Gross deferred tax asset		-		1,12,523	
Net Deferred Tax Liability		-		2,461	

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					
Notes forming part of the Financial Statements for the year ended March 31, 2023					
1 SHARE CAPITAL					
PARTICULARS	As at March 31, 2023		As at March 31, 2022		
	Number	Rs.	Number	Rs.	
4 OTHER LONG TERM LIABILITIES					
PARTICULARS		As at March 31, 2023		As at March 31, 2022	
		Rs.		Rs.	
4.1. Grant from GOI					
Opening Balance		1,38,02,33,833		37,63,25,820	-
Add: Received During the Year					-
-Grant-Project Fund		93,00,00,000		1,36,00,00,000	
Less: Project Grant utilised during the Fin. Year towards Capital Projects by transferring the Fund to Capital Reserve A/c		1,71,85,49,834		37,29,86,901	-
Add: Transfer of A&OE Fund to Project Fund		-		2,37,01,316	
Less: Transfer of Project Fund for A & O E purpose		1,53,15,775		68,06,403	-
		57,63,68,224		1,38,02,33,833	
4.2. Grant from State Government					
Opening Balance		24,59,16,383		8,00,00,000	
Add: Received During the Year					
-Grant-Project Fund		-		45,00,00,000	
Less: Project Grant utilised during the Fin. Year towards Capital Projects by transferring the Fund to Capital Reserve A/c		24,57,13,406		27,29,86,901	
Less: Transfer of Project Fund for A & O E purpose		1,27,38,427		1,10,96,717	
		(1,25,35,450)		24,59,16,383	
4.3. Interest earned on Project Fund from GOI & State Government					
Opening Balance		80,68,387		2,71,08,803	
Add: Interest received from Bank during the fin. Year		5,69,72,417		3,43,10,573	
Less: Interest Income transferred to P&L A/c to extent of Project Fund utilized		2,75,92,536		85,69,852	
Less: Interest earned from GOI of Project fund transferred to SI No. 6C		3,74,48,268		4,47,81,137	
		0		80,68,387	
		4.1+4.2+4.3		56,38,32,774	
					1,63,42,18,603
5 TRADE PAYABLES					
PARTICULARS		As at March 31, 2023		As at March 31, 2022	
		Rs.		Rs.	
Trade Payables					
i) Total outstanding dues of micro and small enterprises		-		-	
ii) Total outstanding dues of creditors other than micro and small enterprises					
IPE Global Ltd.		-		34,20,067	
Margret Warbah		-		-	
Palmira Nongbet		-		-	
Ranger Security & Services Organisations		-		-	
Earnest Money		-		92,00,000	
United Food Centre		-		-	
United Sales and Supplies		4,660		21,158	
Mr. Jwator S Cajee		-		-	
M/s Spectrum		-		4,22,500	
City Syte N Fosys		-		15,680	
		4,660		1,30,79,405	
					1,30,79,405
					(Amount in Rs.)
Particulars	Outstanding for following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	4,660	4,660
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
6 OTHER CURRENT LIABILITIES					
PARTICULARS		As at March 31, 2023		As at March 31, 2022	
		Rs.		Rs.	
Security Deposits (Security retention money withheld from Contractors Bills as per the terms & conditions of the Tender Agreements)		3,97,47,656		2,44,72,480	1,52,75,176
A A & O E Grant Received from GOI					
Opening Balance		20,08,371		-	
Add: A&OE Grant Received During the Year		5,00,00,000		5,00,00,000	
Add: Project Fund transferred for A & O E purpose		1,53,15,775		68,06,403	
Less: A & OE Fund transferred to Project Fund		-		2,37,01,316	
Less: Grant Amount transferred during the Year to P&L A/s for A & O E Purposes		6,73,24,146		3,10,96,716	20,08,371
		-		20,08,371	
B A & O E Grant Received from State Government					
Opening Balance		-		2,00,00,000	
Add: A&OE Grant Received During the Year		-		-	
Add: Project Fund transferred for A & O E purpose		1,27,38,427		1,10,96,717	
Less: Grant Amount transferred during the Year to P&L A/s for A & O E Purposes		1,27,38,427		3,10,96,717	-
		-		-	
C Interest earned on Project & A&OE fund from GOI to be refunded					
Opening Balance		-		-	
Add: Interest earned from GOI of Project Fund transferred from SI No. 4.3		3,74,48,268		4,47,81,137	
		3,74,48,268		4,47,81,137	
		Total A+B+C		7,71,95,924	
					6,20,64,684
* During the Fin. Year, Interest earned on A & O E grant has been transferred to Profit & Loss A/c and shown in the "Other Income"					



SHILLONG SMART CITY LIMITED

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Notes forming part of the Financial Statements for the year ended March 31, 2023

1 SHARE CAPITAL

PARTICULARS	As at March 31, 2023		As at March 31, 2022	
	Number	Rs.	Number	Rs.
7 SHORT TERM PROVISIONS				
PARTICULARS		As at March 31, 2023		As at March 31, 2022
		Rs.		Rs.
Duties & Taxes				
GST-TDS Payable				
CGST Payable	7,59,858		9,78,204	
SGST Payable	7,59,865		9,78,208	
IGST Payable	-	15,19,723	-	19,56,412
GST-RCM Payable				
CGST Payable	50,253		37,370	
SGST Payable	50,253	1,00,506	37,370	74,740
TDS Payable		6,01,912		18,43,701
Labour Cess @ 1% on Contractor's Bill		32,66,554		6,74,032
Forest Royalty on Contractor's Bill		34,74,209		14,64,401
Professional Tax		12,500		37,500
Provision for Taxation (Net of advance tax of Rs.)	1,35,86,556		6,31,760	
Less: MAT credit utilised	-	1,35,86,556	-	6,31,760
Other provisions for Expenses:				
Audit Fee payable		76,700		17,700
		53,100		53,100
-Statutory Audit Fee				
-Internal Audit Fee				
Salary Payable		5,43,575		5,23,799
Stipend Payable to TULIP Interns		36,000		-
Provision for Leave Encashment		4,79,460		4,32,780
ROC fees Payable		-		8,900
Car Hire Charges		1,52,776		1,52,776
Cleaning Exp.		9,504		9,096
Electricity Exp. Payable		5,054		1,766
Internet Charges		4,060		4,060
Interest on TDS		2,67,362		43,860
Man Power Hiring Charges		2,70,563		2,14,203
Provision made on Project Management Consultants(IPE Global Ltd) Bills		15,340		1,67,43,686
Provision made for Contractor's Bills of Capital Projects		-		3,36,70,869
Office Chowkidar		10,966		10,496
Office expenses payable		-		6,844
Computer Repairs & Maintenance		840		12,288
Telephone expenses payable		389		388
Travelling expenses payable		5,000		3,000
Advertisement Expenses payable		-		7,03,500
Meghalaya Information Technology Society		10,36,000		-
Provision made for Deferred O & M Expenses		73,18,00,000		-
Office Rent		1,34,842		1,37,442
		75,74,63,491		5,94,33,099
FIXED ASSETS				
PARTICULARS		As at March 31, 2023		As at March 31, 2022
		Rs.		Rs.
8 PROPERTY, PLANT AND EQUIPMENT				
As per Annexure Note 8 Attached		37,69,434		50,40,859
		37,69,434		50,40,859

SHILLONG SMART CITY LIMITED					
CIN:U93000ML2019SGC013677					
Regt. Off.:H/No. C/B- 037, Top Floor, Centre Nongrim Hills, Near JJ Cables, Shillong, East Khasi Hills, Meghalaya-793003					
<u>Notes forming part of the Financial Statements for the year ended March 31, 2023</u>					
1 SHARE CAPITAL					
PARTICULARS	As at March 31, 2023		As at March 31, 2022		
	Number	Rs.	Number	Rs.	
9 CAPITAL WORK-IN-PROGRESS (Smart City Mission Projects)					
PARTICULARS		As at March 31, 2023		As at March 31, 2022	
		Rs.		Rs.	
9.1 Project Name					
Construction of Commercial Complex, Polo, Shillong					
Opening balance	23,57,18,238		6,16,00,398		
Add: Work done during the year	19,72,64,298		17,41,17,840		
less: Amount recovered from the Contractors	-	43,29,82,536	-	23,57,18,238	
9.2 Project Name					
Construction of Redevelopment of Municipal Market, Laitumkrah, Shillong					
Opening balance	7,19,33,869		-		
Add: Work done during the year	11,98,10,636		7,19,33,869		
less: Amount recovered from the Contractors	-	19,17,44,505	-	7,19,33,869	
9.3 Project Name					
Construction of Rainwater Harvesting at various locations in Shillong					
Opening balance	4,37,76,048		-		
Add: Work done during the year	17,65,38,243		4,37,76,048		
less: Amount recovered from the Contractors	-	22,03,14,291	-	4,37,76,048	
9.4 Project Name					
Construction of Business Cum Tourism and Cultural Centre (MTC) in Shillong					
Opening balance	20,00,00,000		-		
Add: Work done during the year	-		20,00,00,000		
less: Amount recovered from the Contractors	-	20,00,00,000	-	20,00,00,000	
9.5 Project Name					
Implementation of Integrated Command Control Centre (ICCC)					
Opening balance	16,59,434		16,59,434		
Add: Work done during the year	50,39,31,360		-		
less: Amount recovered from the Contractors	-	50,55,90,794	-	16,59,434	
9.6 Project Name					
Procurement of Litter Picking Machine					
Opening balance	-		-		
Add: Work done during the year	4,12,04,810		-		
less: Amount recovered from the Contractors	-	4,12,04,810	-	-	
9.7 Project Name					
Retrofitting of 3 nos. Multilevel Car Parking					
Opening balance	-		-		
Add: Work done during the year	3,22,93,010		-		
less: Amount recovered from the Contractors	-	3,22,93,010	-	-	
9.8 Project Name					
Waste Disposal Treatment					
Opening balance	-		-		
Add: Work done during the year	11,20,00,000		-		
less: Amount recovered from the Contractors	-	11,20,00,000	-	-	
9.9 Project Name					
Waste Water Treatment					
Opening balance	-		-		
Add: Work done during the year	5,16,44,327		-		
less: Amount recovered from the Contractors	-	5,16,44,327	-	-	
9.9 Project Name					
Mechanised Multi-level Car Parking at Motphran					
Opening balance	-		-		
Add: Work done during the year	73,16,000		-		
less: Amount recovered from the Contractors	-	73,16,000	-	-	
		1,79,50,90,273		55,30,87,589	
				Amount in Rs.	
CWIP					
Projects in progress :-	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Commercial Market Polo	19,72,64,298	17,41,17,840	6,16,00,398	-	43,29,82,536
Redevelopment of Municipality Mkt Laitumkrah	11,98,10,636	7,19,33,869	-	-	19,17,44,505
Rainwater Harvesting at Shillong	17,65,38,243	4,37,76,048	-	-	22,03,14,291
Business Cum Tourism and Cultural Centre	-	20,00,00,000	-	-	20,00,00,000
Implementation of ICCC Expenses	50,39,31,360	16,59,434	-	-	50,55,90,794
Procurement of Litter Picking Machine	4,12,04,810	-	-	-	4,12,04,810
Retrofitting of 3 MLC Parking	3,22,93,010	-	-	-	3,22,93,010
Waste Disposal Treatment	11,20,00,000	-	-	-	11,20,00,000
Waste Water Treatment	5,16,44,327	-	-	-	5,16,44,327
Mechanized Multi-Level Car Parking at Motphran	73,16,000	-	-	-	73,16,000
Projects temporarily suspended	-	-	-	-	-
				TOTAL	1,79,50,90,273
10 DEFERRED TAX ASSETS (NET)					
PARTICULARS		As at March 31, 2023		As at March 31, 2022	
		Rs.		Rs.	
Tax effect of items constituting deferred tax liabilities					
On difference between book balance and tax balance of fixed assets		42,550		-	
Gross deferred tax liability		42,550		-	
Tax effect of items constituting deferred tax assets					
On difference between book balance and tax balance of fixed assets		558		-	
Provision for leave encashment and gratuity		1,27,308		-	
Provision for doubtful receivables and advances		-		-	
Timing difference u/s 43B of the Income Tax Act, 1961		-		-	
Timing difference on unabsorbed depreciation carried forward		-		-	
Timing difference on disallowances u/s 40(i)(ia) of the Income Tax Act, 1961		-		-	
Gross deferred tax asset		1,27,866		-	
Net Deferred Tax Assets		85,316		-	

SHILLONG SMART CITY LIMITED

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Notes forming part of the Financial Statements for the year ended March 31, 2023

1 SHARE CAPITAL

PARTICULARS	As at March 31, 2023		As at March 31, 2022	
	Number	Rs.	Number	Rs.
11 LONG-TERM LOANS AND ADVANCES (unsecured, considered good, unless otherwise stated)				
PARTICULARS		As at March 31, 2023		As at March 31, 2022
		Rs.		Rs.
*Mobilisation Advance to Contractors				
Opening Balance	6,08,53,714		6,63,50,000	
Add: Advance given during the Year	5,16,49,999		1,18,00,000	
less: Amount recovered from the Contractors	3,63,19,049	7,61,84,664	1,72,96,286	6,08,53,714
Material Advance to Contractors				
Opening Balance	2,91,26,968		-	
Add: Advance given during the Year	-		2,91,26,968	
less: Amount recovered from the Contractors	2,29,14,615	62,12,353	-	2,91,26,968
Advance paid towards shifting of utilities for 6km road project to:				
Shillong Municipal Board	6,44,45,940		6,44,45,940	
PHE	5,59,75,000		5,59,75,000	
MePDCL	3,23,46,034	15,27,66,974	3,23,46,034	15,27,66,974
		23,51,63,991		24,27,47,656
12 OTHER NON CURRENT ASSETS				
PARTICULARS		As at March 31, 2023		As at March 31, 2022
		Rs.		Rs.
Grant Receivable from Govt. of India:				
A&OE	-		20,08,371	
Project Fund	46,50,00,000	46,50,00,000	68,00,00,000	68,20,08,371
Deferred O & M Expenses		73,18,00,000		-
SPV Incorporation Expense	2,56,332		3,84,499	
Less: Current Year 1/5th portion transferred to P&L A/c	1,28,167	1,28,165	1,28,167	2,56,332
		1,19,69,28,165		68,22,64,703
13 CASH AND CASH EQUIVALENTS				
PARTICULARS		As at March 31, 2023		As at March 31, 2022
		Rs.		Rs.
Cash and cash equivalents				
Balances with banks				
S/b Bank Account with Bandhan Bank A/c 50190027450635		6,80,13,977		1,03,57,85,791
CA Bank Account with State Bank Of India A/c 40159269189		13,01,628		67,469
CA Bank Account with Bandhan Bank A/c 10220013361674		7.00		-
S/b Bank Account with HDFC Bank A/c 50100538314903		746040913.00		-
S/b Bank Account with Bandhan Bank A/c 50220028183999		10,52,83,236		-
Cash on hand		9,083		1,733
		92,06,48,844		1,03,58,54,993
14 OTHER INCOME				
PARTICULARS		For the year ended		For the year ended
		As at March 31, 2023		As at March 31, 2022
		Rs.		Rs.
A & O E Income				
A & O E Grant Received from Govt. utilised for A & O E Purpose		8,00,62,573		6,21,93,433
Tender Fees Received from Bidders		35,400		1,65,000
*Interest Income Earned on Project Fund (refer to Note no. 'G' of Notes to Accounts)		2,75,92,536		85,69,852
Miscellaneous income		-		-
		10,76,90,509		7,09,28,285
*(Interest earned on Project Fund and A&OE fund to be transferred to the Government as per the office memorandum dated				

SHILLONG SMART CITY LIMITED					
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Regt. Off.:H/No. C/B- 037, Top Floor, Centre Nongrim Hills, Near JJ Cables, Shillong, East Khasi Hills, Meghalaya-793003					
Notes forming part of the Financial Statements for the year ended March 31, 2023					
1 SHARE CAPITAL					
PARTICULARS	As at March 31, 2023		As at March 31, 2022		
	Number	Rs.	Number	Rs.	
15 EMPLOYEE BENEFITS EXPENSES					
PARTICULARS			For the year ended	For the year ended	
			As at March 31, 2023	As at March 31, 2022	
			Rs.	Rs.	
Staff Salary including Key Managerial Salary			1,12,25,003	1,34,47,331	
Stipend to TULIP Interns			1,95,000	1,50,300	
Leave Encashment Exp.			5,01,694	4,22,593	
			1,19,21,697	1,40,20,224	
8 DEPRECIATION AND AMORTIZATION EXPENSES					
PARTICULARS			For the year ended	For the year ended	
			As at March 31, 2023	As at March 31, 2022	
			Rs.	Rs.	
Depreciation on property, plant and equipment (As per Annexure Attached)			12,68,136	11,22,946	
			12,68,136	11,22,946	
16 OTHER EXPENSES					
PARTICULARS			For the year ended	For the year ended	
			As at March 31, 2023	As at March 31, 2022	
			Rs.	Rs.	
16 (a) OTHER EXPENSES					
Advertisement and Smart City Campaign Exp.			23,93,795	18,23,053	
Car Hiring Charges			18,82,172	11,92,740	
Office Cleaning Exp.			1,37,278	1,31,720	
Contractor for Staff Hiring Exp.			38,78,492	22,60,565	
Consultancy Service Expense					
-Project Management Consultancy Fees			3,51,39,489	3,07,79,839	
Telephone & Courier			4,671	3,604	
Director Sitting Fee			17,700	17,700	
Electricity Charges			44,610	37,432	
Interest			2,95,337	2,28,328	
Internet Expense			52,156	49,560	
Internal Audit Fee			53,100	53,100	
Meetings & Workshop Expense			1,55,243	5,552	
Office Rent			18,12,088	17,96,696	
Office Expense			91,351	60,357	
Postage and Courier Charges			2,207	1,815	
Repairs & Maintenance			1,76,571	87,425	
Rates & Taxes			-	2,800	
Statutory Auditor's remuneration			59,000	17,700	
Tour & Travelling Expense			68,17,727	1,23,789	
Bank Charges			649	1,684	
Printing & Stationary Exp.			88,706	78,632	
Azadi ka Amrit Mahautsav Event			-	1,15,270	
Miscellaneous Expenses			35,709	25,401	
			Total 16(a)	3,88,94,762	
16 (b) OTHER EXPENSES-PRE-OPERATING EXP.					
1/5 th of Pre-Incorporation Exp. Written off			1,28,166	1,28,166	
			Total 16(b)	1,28,166	
			Total 16(a) + 16(b)	3,90,22,928	
17 PRIOR PERIOD EXPENSES					
PARTICULARS			For the year ended	For the year ended	
			As at March 31, 2023	As at March 31, 2022	
			Rs.	Rs.	
Consultancy Services Expense			(1,03,60,945)	1,65,09,984	
			(1,03,60,945)	1,65,09,984	



SHILLONG SMART CITY LIMITED										
Notes forming part of the Draft Financial Statements for the year ended March 31, 2023										
8. Property, plant and equipment										
Particulars	Original Cost			Depreciation					Net Book Value	
	As at	Additions	Deductions	As at	As at	For the	Deductions/	As at	As at	As at
	April 1, 2022	during the year	during the year	March 31, 2023	April 1, 2022	year	adjustment during the year	March 31, 2023	March 31, 2023	March 31, 2022
Tangible Assets:										
Furniture and fixtures	22,43,034	-	-	22,43,034	4,49,108	2,13,088	-	6,62,196	15,80,838	17,93,926
Office equipment	8,17,222	-	-	8,17,222	2,69,653	1,55,272	-	4,24,925	3,92,297	5,47,569
Electrical Equipments & Fittings	1,42,330	-	-	1,42,330	27,968	13,521	-	41,489	1,00,841	1,14,362
Computers & Laptops	15,30,635	-	8,840	15,21,795	5,43,534	3,95,960	5,551	9,33,943	5,87,852	9,87,101
Fixed Assets with PMC	13,41,075	-	-	13,41,075	5,11,482	2,97,261	-	8,08,743	5,32,332	8,29,592
Intangible Assets:										
Computer Software	10,68,276	-	-	10,68,276	2,99,967	1,93,034	-	4,93,000	5,75,276	7,68,309
Total	71,42,572	-	8,840	71,33,732	21,01,712	12,68,136	5,551	33,64,297	37,69,434	50,40,859
Previous Year	59,43,310	11,99,262	-	71,42,572	9,78,766	11,22,946	-	21,01,712	50,40,859	49,64,543

Shillong Smart City Limited														
Depreciation as per section 32 of the Income Tax Act, 1961 for F.Y.2022-23														
Block of assets	Assets with PMC	Rate of Dep.	Opening WDV	Additions to fixed assets				Deletions	Total as on 31.03.2023	Depreciation on the assets			WDV on 31.03.2023	
				More than 180 Days		Less than 180 Days				Dep. on Opening WDV & Add. 180 days or more	Dep. On Less than 180 days	Total		
				Assets with SSCL	Assets with PMC	Assets with SSCL	Assets with PMC							
Computer & Software		Computer Software	40%	1,28,506	-	-	-	-	1,28,506	51,402	-	51,402	77,104	
Computer & Software	PMC	Computer Software	40%	4,73,518	-	-	-	-	4,73,518	1,89,407	-	1,89,407	2,84,111	
Computer & Software		Desktop	40%	3,76,160	-	-	-	-	3,76,160	1,50,464	-	1,50,464	2,25,696	
Computer & Software		Laptop	40%	1,67,344	-	-	-	-	1,67,344	66,938	-	66,938	1,00,407	
Computer & Software	PMC	Laptop	40%	2,26,141	-	-	-	-	2,26,141	90,456	-	90,456	1,35,685	
Computer & Software		Internet Server	40%	2,51,629	-	-	-	-	2,51,629	1,00,652	-	1,00,652	1,50,978	
Computer & Software		Pendrive	40%	2,987	-	-	-	2,987	-	-	-	-	-	
Computer & Software	PMC	Pendrive	40%	2,448	-	-	-	2,448	-	-	-	-	-	
Furniture & Fixture		Furniture and Fixture	10%	15,54,746	-	-	-	-	15,54,746	1,55,475	-	1,55,475	13,99,271	
Furniture & Fixture		Furniture and Fixture	10%	1,75,130	-	-	-	-	1,75,130	17,513	-	17,513	1,57,617	
Furniture & Fixture	PMC	Furniture and Fixture	10%	3,08,704	-	-	-	-	3,08,704	30,870	-	30,870	2,77,833	
Furniture & Fixture		Electric Fitting	10%	1,09,523	-	-	-	-	1,09,523	10,952	-	10,952	98,570	
Plant & Machinery		Ro System	15%	7,479	-	-	-	-	7,479	1,122	-	1,122	6,357	
Plant & Machinery		T.V	15%	46,775	-	-	-	-	46,775	7,016	-	7,016	39,759	
Plant & Machinery		T.V. Cabinet	15%	14,089	-	-	-	-	14,089	2,113	-	2,113	11,975	
Plant & Machinery		Sensor Sanitiser Machine	15%	5,130	-	-	-	-	5,130	769	-	769	4,360	
Plant & Machinery		Room Heater	15%	3,114	-	-	-	-	3,114	467	-	467	2,647	
Plant & Machinery		Room Heater	15%	78,656	-	-	-	-	78,656	11,798	-	11,798	66,857	
Plant & Machinery		UPS & Battery	15%	2,06,248	-	-	-	-	2,06,248	30,937	-	30,937	1,75,311	
Plant & Machinery		Photocopy Machine	15%	52,712	-	-	-	-	52,712	7,907	-	7,907	44,805	
Plant & Machinery		Printer	15%	1,07,289	-	-	-	-	1,07,289	16,093	-	16,093	91,196	
Plant & Machinery	PMC	Printer	15%	2,28,636	-	-	-	-	2,28,636	34,295	-	34,295	1,94,341	
Plant & Machinery		Mobile Phone-CEO	15%	12,643	-	-	-	-	12,643	1,896	-	1,896	10,747	
Plant & Machinery		Air Purifier-AC250+	15%	55,667	-	-	-	-	55,667	8,350	-	8,350	47,317	
Plant & Machinery		Stabilizer	15%	3,342	-	-	-	-	3,342	501	-	501	2,840	
Total				45,98,613	-	-	-	5,435	45,93,178	9,87,396	-	9,87,396	36,05,782	
Previous Year				45,02,451	-	-	8,20,024	3,79,238	-	57,01,713	8,80,247	2,22,853	11,03,100	45,98,613
									17,38,957			4,62,441	12,76,516	



Retrofitting of Mawlonghat Parking Lot

SHILLONG SMART CITY LTD**U93000ML2019SGC013677****Regd. Off.: H/No. C/B- 037, Top Floor, Centre Nongrim Hills Near JJ
Cables, Shillong East Khasi Hills Meghalaya 793003****NOTE 18 - NOTES TO ACCOUNTS AND SIGNIFICANT ACCOUNTING
POLICIES****BACKGROUND**

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

ACCOUNTING OF SSCL

Pursuant to section 128(1) of the Companies Act, 2013 the following Cumulative conditions are followed by the **Shillong Smart City Ltd., Shillong** for the 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 an accrual basis and according to the double entry system of Accounting;
- C. All books of accounts of the company are maintained in electronic mode;
- D. Pursuant to the provision of section 128 (5) of the Act, the company has an obligation to maintain the books of account for not less than eight years immediately preceding the current year.

FINANCIAL YEAR

In General, the Financial Year of the company begin on the 1st of April and ended on the 31st of March i.e. 1st of April-2022 to the 31st of March, 2023 except in the year of incorporation of the Company. However, the SSCL was incorporated on the 22nd of January, 2019 and pursuant to Section 2(41) of the Companies Act, 2013 and other relevant provisions applicable, the SSCL had adopted the option of 15 Months Financial Year and accordingly, its first Financial Year is ended on 31st March, 2020 instead of 31st March, 2019.

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

a) **Basis of Accounting:** The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act 2013 read with the Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on an 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 of the Companies Act, 2013. 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 differences 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), and 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 users of the remaining asset, the useful life of that significant part is determined separately. Depreciation of such a 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.

D. DEPRECIATION AND AMORTIZATION

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

E. CAPITAL WORK IN PROGRESS:

Projects which are not yet ready for their intended use are carried at cost attributable to the projects and other incidental capital expenditures. The cost of the underdevelopment Projects date of 31st March 2023 has been accounted for under capital work in progress (CWIP).

However, the Company has planned numerous capital infrastructure projects for Shillong City aligned with the Smart City Mission and for that, the Company has appointed a Project Management Consultant (PMC) who consults and works as an extended arm of the Company in planning, bidding, tendering, implementation, monitoring and supervision of the projects.

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

Details of Capital Work-in-Progress			
S.No.	Project Name	Total Estimated Cost (Inclusive of GST)	Amount Paid
1	Redevelopment of Municipal Mkt Laitumakhrah	₹38.20 Crores	₹19,17,44,505.00
2	Implementation of Integrated Command Control Centre	₹212.82 Crores	₹50,55,90,794.00
3	Business Cum Tourism and Cultural Centre	₹90.00 Crores	₹20,00,00,000.00
4	Construction of Commercial Market Polo	₹100.30 Crores	₹43,29,82,536.00
5	Mechanized Multi-Level Car Parking at Motphran	₹14.63 Crores	₹73,16,000.00
6	Procurement of Litter Picking Machine	₹4.12 Crores	₹4,12,04,810.00
7	Construction of Rainwater Harvesting at Shillong	₹39.08 Crores	₹22,03,14,291.00
8	Retrofitting of 3 MLC Parking	₹46.00 Crores	₹3,22,93,010.00
9	Waste Disposal Treatment	₹16.00 Crores	₹11,20,00,000.00
10	Construction of Waste Water Treatment	₹25.11 Crores	₹5,16,44,327.00
TOTAL			₹1,79,50,90,273.00

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

F. LONG-TERM LOANS ADVANCES:

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

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

Sl.No.	Project Name	Total Estimated Cost (Inclusive GST)	Percentage of Total Project Cost	Amount Paid
1	6km Smart Road (Phase-I) in Shillong	₹94.65 Crores	5%	₹3,92,49,999/-
2	Mechanised Multi-level Car Parking at Motphran.	₹14.63 Crores	10%	₹1,24,00,000/-
			Total	₹5,16,49,999/-

G. REVENUE RECOGNITION

Revenue is recognized on an accrual basis of accounting after all the stipulated conditions of the Accounting Standard “Revenue Recognition” are satisfied.

H. OTHER INCOME

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

The Company followed the Accounting Standard “Accounting of Investment”. Hence Interest earned on Project Fund and A & OE Grant shall be refunded to the Government of India as per the office memorandum dated 30th June 2021. During the FY 2022-23 interest income incurred from SNA bank account amounting to ₹3,74,48,268/- shall be deposited in the respective Consolidated Funds.

The interest apportioned calculation for FY 2022-23 is mentioned below:

Fund Details	Grant Received from	Total Funds Available till 31 st March 2023	Utilized Amount till 31 st March 2023	Interest Income for FY 2022-23
		(₹)	(₹)	(₹)
Project Fund	Govt. of India	1,84,52,33,833.00	1,71,85,49,834.00	3,08,42,239.00
A & O E Fund	Govt. of India	5,20,08,371.00	6,73,24,146.00	66,06,029.00
Project Fund	Govt. of Meghalaya	24,59,16,383.00	24,57,13,406.00	-
A & O E Fund	Govt. of Meghalaya		1,27,38,427.00	-
Total Interest Income Earned				3,74,48,268.00

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

Interest earned on Project Fund from GOM transferred to Profit & Loss A/c to the extent of fund utilized during the year and Interest earned from Deferred O&M fund for the FY 2022-23

Interest Period	Utilisation Date	Particulars	Utilised Amount	Interest Income T/f to P&L A/c
2022-23	1st April 2022 to 31st March 2023	Apportionment of Interest Income	25,84,51,833.00	1,33,51,623.00
2022-23	1st April 2022 to 31st March 2023	Interest earned from Deferred O&M Fund		1,42,40,913.00
Total Interest t/f to P&L A/c				2,75,92,536.00

ii) Other income recognised on a receipt basis.

I. GOVERNMENT GRANTS

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

J. REVENUE GRANTS

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

Fund	Grant -in -Aid	Opening Balance (₹)	Fund released (₹)	Total Fund Available (₹)	Utilization filed during the year (₹)
Project Fund	Govt. of India	70,02,33,833	1,14,50,00,000	1,84,52,33,833	1,71,85,49,834
Project Fund	Govt. of Meghalaya	24,59,16,383	-	24,59,16,383	24,57,13,406
A & O E Fund	Govt. of India	-	5,20,08,371	5,20,08,371	6,73,24,146
A & O E Fund	Govt. of Meghalaya	-	-	-	1,27,38,427

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

K. CAPITAL GRANTS

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

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

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

For Revenue Generative Capital Projects

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

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

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

Particulars of Grants	Received from Govt.	Amount received till FY 2022-23	Utilisation of Project Fund till FY-2022-23
Project Fund	Central Government	232,00,00,000	2,19,15,09,599
Project Fund	Government of Meghalaya	53,00,00,000	51,87,00,307
	Total	2,85,50,00,000	2,71,02,09,906

For Non-Revenue Generative Capital Projects

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

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

L. EMPLOYEE BENEFITS

Short-term employee benefits: Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, and ex- gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

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

Details of Leave Encashment are as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provision for Leave Encashment	5,01,694/-	4,79,460/-

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

M. PROVISIONS

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

N. CASH AND CASH EQUIVALENTS

The Company considered the highly liquid assets which are readily convertible into cash and have insignificant risk of change in value and have a maturity period of less than 3 months from its acquisition. The Cash and Cash equivalent comprises cash on hand and demand deposits with banks and bank balance as on 31st, March 2023.

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

P. OTHERS

- Previous years figure have been rearranged/regrouped wherever necessary.
- Till the FY 2021-22, Interest earned Project & A&OE fund from GOI to be refunded was shown under “Other Long Term Liabilities”. However, thereafter as advised by the AG (Audit), it has been shown under “Other Current Liabilities”.
- Till the FY 2021-22, Grant Receivable from Govt. of India was shown under “Long-term loans and advances”. However, thereafter as advised by the AG (Audit), it has been shown under “Other Non-Current Assets”.

Q. 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 are 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 are 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 a calculation of EPS is as under:

Particulars	For the year ended March 31, 2023 (₹)	For the year ended March 31, 2022 (₹)
Profit /(Loss) after tax	3,87,28,386/-	(2,33,309)
Weighted average number of shares outstanding (Equity shares of Rs. 10 each)	1,00,000	1,00,000
Basic/ Diluted Earnings per share (There are no potential Dilutive Equity shares) (Rs. per share)	387.28	(2.33)

R. PRIOR PERIOD EXPENSES

During the Financial Year 2021-22 an amount of ₹1,65,09,984/- was booked as Prior Period Expenses for Consultancy Services of M/s IPE Global Ltd as commented by AG (Audit) which pertains to FY 2020-21. **(Refer to Note No. 17)**. In this regard, we have paid an amount of ₹61,49,039/- to M/s IPE Global Ltd during the FY- 2022-23 and the remaining amount of ₹1,03,60,945/- has been reversed at the end of this financial year.

S. 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.

T. DEFERRED O&M EXPENSES

Government of India had released a notification vide letter no. K-14012/101(03)/2022-SC-Desk (IV) Dated 19th January 2022 regarding booking of expenditure for Operations and Maintenance of the Project. In this regard, we have booked an amount of ₹73,18,00,000/- as Deferred O&M Expenses and liability for subsequent towards O&M projects like the Construction of Waste Water Treatment and Integrated Command Control Centre (ICCC).

U. DISCLOSURE ON MSME:

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

The Company has 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).

V. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Though the Company has booked a profit of ₹3,87,28,386/- during the financial year and by virtue of Section 135 (1) of the Companies Act, 2013, the Company does not qualify for the stipulated conditions of applicability of CSR. Thus, there is no requirement to make the Provisions for Expenditure on Corporate Social Responsibility (CSR) in terms of the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII to the Act and the Companies (Corporate Social Responsibility) Rules, 2014.

W. 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 parties of the Company during the Financial Year ended on 31st, March-2023:

The transaction with related parties with whom the company has transactions:

Name of the related party	Relationship (2022-23)
Smt. R. V. Suchiang	Chairperson upto 31.07.2022
Shri. D.P. Wahlang	Chairman w.e.f. 01.08.2022
Shri. M.R. Synrem	Executive Director upto 09.01.2023
Shri. Pravin Baksi	Executive Director w.e.f. 09.01.2023
Shri. D. Vijay Kumar	Nominee Director
Shri. C.V.D. Diengdoh	Nominee Director
Smt. Isawanda Laloo	Nominee Director upto 11.01.2023
Shri. S.C. Sadhu	Nominee Director w.e.f. 11.01.2023
Shri. B.S. Sohliya	Nominee Director upto 31.08.2022
Shri. J. P. Lakiang	Nominee Director w.e.f. 31.08.2022
Shri. G Kharmawphlang	Director upto 26.08.2022
Shri. Ethelbert Kharmalki	Director w.e.f. 26.08.2022
Shri. C. R. Challam	Nominee Director upto 30.11.2022
Shri. G. K. Marak	Nominee Director
Shri. Rahul Kapoor	Nominee Director upto 21.02.2023
Shri. Lal Chhandama	Nominee Director w.e.f. 21.02.2023
Smt. B.M. Lyndem	Nominee Director w.e.f. 30.11.2022
Shri. T.V. Rao Krishnamurthy	CEO & Director
Smt. Natalie Kharkongor	Independent Director upto 23.12.2022
Shri. Rudy Warjri	Independent Director w.e.f. 08.11.2022
Shri. Paul Khongjee	Director (Finance)
Smt. Archita Chakraborty	Company Secretary

B. Transaction with related parties with whom the company has transactions:

Name of the Related Party	Nature of the Transactions	Transaction during the year 2022-23	Transaction during the year 2021-22
Ms. Natalie Kharkongor Independent Director	Director Sitting Fee	15,000/-	15,000/-
Mr. T.V. Rao Krishnamurthy Chief Executive Officer	Travelling Exp./Allowance	4,53,556/-	74,560/-
Mr. Rahul Kapoor Nominee Director	Travelling Exp./Allowance	20,060/-	40,229/-
Meghalaya Urban Development Authority	Received for contribution to Equity Share Capital money	-	-
Meghalaya Urban Development Authority	Payment made against bills issued for Administrative Services and Maintaining account of Smart City Mission	-	-
Mr. Paul Khongjee Director (Finance)	Travelling Exp./Allowance	48,000/-	9,000/-
<u>Remuneration to Key Managerial Persons</u>			
Mr T.V. Rao Krishnamurthy Chief Executive Officer	Salary and Allowance	63,39,090/-	53,76,372/-
Mrs Archita Chakraborty Company Secretary	Salary and Allowance	12,90,258/-	10,94,496/-

In terms of our Audit Report attached
For R Pal & Co.
Chartered Accountants
FRN: 322343E

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

Proprietor
ICAI M.No. 054234
UDIN:

General Manager
(Accounts)

Finance Adviser

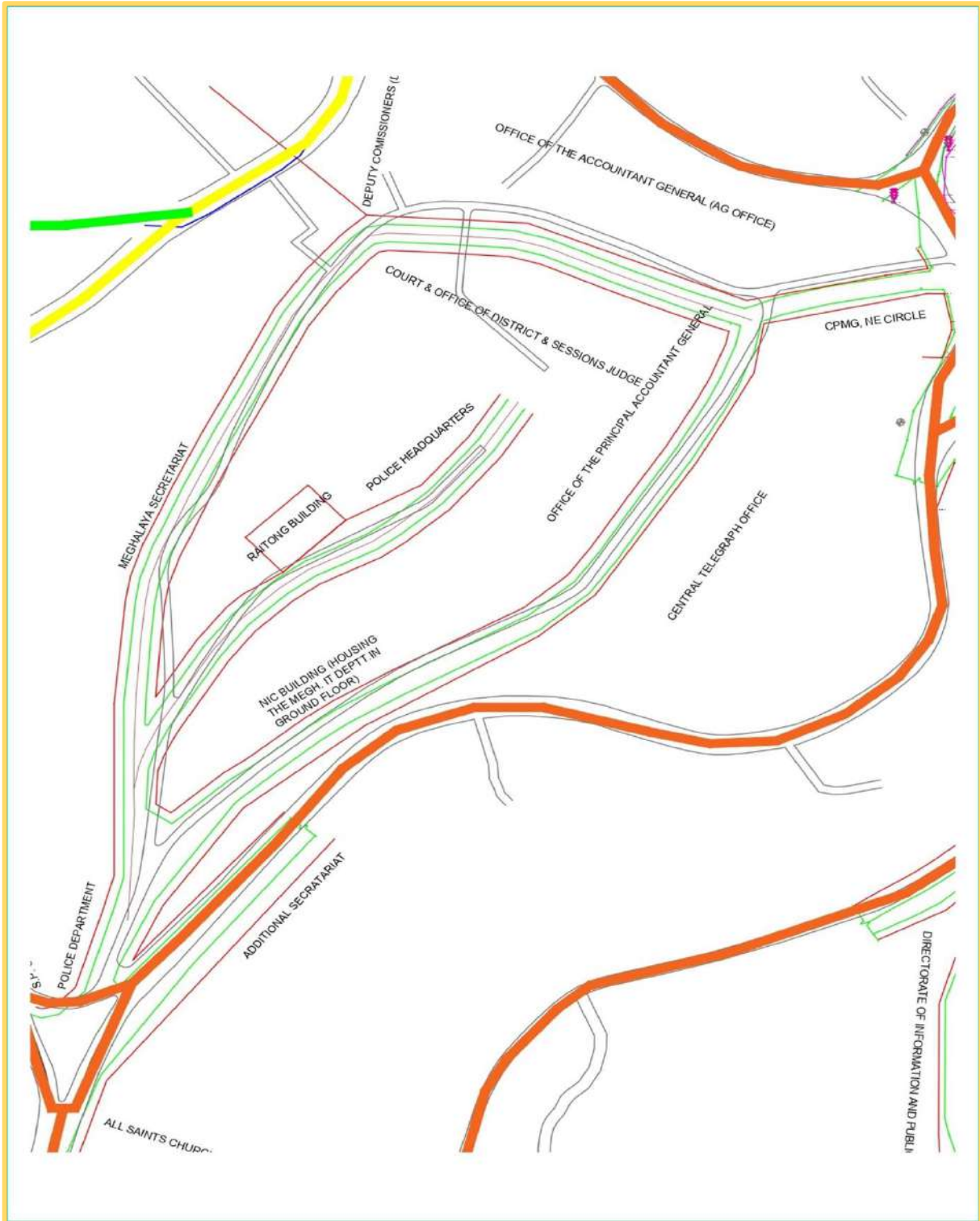
Place: Shillong
Date:



NOTES

A series of horizontal dotted lines for writing notes.

Route map of the venue of the Annual General Meeting



Google Map Link: <https://maps.app.goo.gl/GJHP1a491pNKAEWt6>



Concept & Design

This Annual Report for the Financial Year 2022-2023
has been Conceptualized in-house

By Shemboklang K Syiemlieh



SHILLONG
SMART CITY

SHILLONG SMART CITY LIMITED
House No. C/B – 037, Top Floor,
Centre Nongrim Hills
Near JJ Cables, East Khasi Hills District,
Meghalaya – 793003

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