

# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

Ref No.:- 2282

Ujjain, Date:- 11/07/2022

To,

**The Managing Director,**  
**Madhya Pradesh Urban Development Co. Ltd.**  
C/o Urban Administration & Development Dept.  
Palika Bhawan, 6 No. Bus Stop, Shivaji Nagar,  
**Bhopal- 462016 MP IN**

**Mr. Asheesh Singh, IAS**  
**Chairman/Member**  
C-1, Collector Nivas,  
Kothi Line, Kothi Road,  
**Ujjain-456010 MP IN**

**The Commissioner,**  
**Ujjain Municipal Corporation**  
Chatrapati Shivaji Bhawan,  
Nazar Ali Mill Parisar, Agar Malwa Road,  
**Ujjain-456001 MP IN**

**Mr. Anshul Gupta, IAS**  
**Executive Director**  
Correspondence Address:  
107, Govindam Gopalam, Lalaram Nagar  
**Indore-452001 MP IN**

**Mr. Deepak Ratnawat**  
**Nominee Director**  
D-39, Addl. Secretary  
D-39 Char Imli  
**Bhopal-462016 MP IN**

**Ms. Rachna Kumar**  
**Nominee Director**  
House No.-904, Hindon Heights,  
Plot No.-21, Opposite Sector-4 Market,  
Sector -4, Vaishali,  
**Ghaziabad -201010 UP IN**

**Mr. B. L. Chouhan**  
**Nominee Director**  
Correspondence Address:  
A-1, Jyoti Nagar, MPEB Colony,  
**Ujjain-456010 MP IN**

**Mr. Chandra Kant Sadhav**  
**Nominee Director**  
Correspondence Address:  
2<sup>nd</sup> Floor, Wing-A,  
Ujjain Development Authority Building  
**Ujjain-456001 MP IN**

**Mr. Ashish Kumar Pathak**  
**Nominee Director**  
H-1, Udyan Marg, Kothi Road,  
**Ujjain-456010 MP IN**

**Mr. Rajeev Khurana**  
**Nominee Director**  
36, Janki Nagar Main,  
**Indore-452001 MP IN**

**Mr. Neelesh Dubey**  
**Nominee Director**  
H. N. K-62, Kadambini Phase-1, Bagmugaliya,  
Near Arvind Vihar Huzur,  
**Bhopal-462043 MP IN**

**Mr. Srinivasa Narasingarao Pandurangi**  
**Independent Director**  
014, S.P.A. Residential Complex NFC  
Taimoor Nagar, Srinivaspuri S.O.,  
**Delhi-110065 DL IN**

# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

**CA Kemisha Soni**  
**Independent Director**  
106, Ronak Arch, 21/4 Race Course Road,  
Indore, M.P. – 452001

**Mr. Juvan Singh Tomer**  
**Chief Financial Officer,**  
05, Block Colony,  
Chandrashekhar ajad Nagar,  
Alirajpur, Bharwa,  
Alirajpur-457882 MP IN

**Mr. Ashish Kumar Pathak**  
**Chief Executive Officer/ Member**  
F-5/22, Char Imli,  
Bhopal- 462016 MP IN

**SRAM & Company,**  
**Chartered Accountants,**  
**Statutory Auditor,**  
Freeganj,  
Ujjain-456010 MP IN

# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

## **Subject: Notice for adjourned 4<sup>th</sup> Annual General Meeting**

Dear Sir/Mam,

With reference to subject cited below we wish to inform that 4<sup>th</sup> Annual General Meeting of the Company which was duly held on 06.09.2022 with adequate quorum and all business cited in the AGM Notice, due to unavailability of Audited financials for financial year 2021-22 and C & AG supplementary Audit, the meeting was declared adjourn by the Chairman.

Consequently, the 4<sup>th</sup> AGM of the Company has been adjourned sine die. The Financial Statement, Auditor's Report, Boards' Report along with all annexure related to Financial Year ended on 31.03.2020 were approved by the Board and with Audit Report and annexures were submitted to Comptroller and Auditor-General of India (C& AG) for their review and comments thereon. C & AG had issued their final comments vide letter dated 02.05.2022 and instructed to publish such comments as Annexure to Boards' Report. As per the provisions of the Act, the same also needs to be placed before the Members.

In this view, please find attached herewith Notice of adjourned 4<sup>th</sup> Annual General Meeting of the Company and your good self is requested to kindly make it convenient to attend the meeting.

Thanking you,

Yours' faithfully

**For Ujjain Smart City Limited**

  
**Chief Executive Officer**

**Encl: As above**

# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

**NOTICE** is hereby given that the **adjourned** 4<sup>th</sup> Annual General Meeting of the Members of the Company shall be held on Tuesday the 6<sup>th</sup> day of September, 2022 at the Registered Office of the Company at Mela Karyalay, Behind Brahaspati Bhawan, Kothi Palace Road, Ujjain-456010 at 3.00 PM to transact the following business.

## I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and Statement of Profit and Loss of the Company for the year ended 31<sup>st</sup> March, 2020 together with the Board's Report & Independent Auditor's Report with comments from Comptroller and Auditor-General of India thereon.

**For & on behalf of Board of Directors of  
Ujjain Smart City Limited**

  
**Chief Executive Officer**

**Place: Ujjain**

**Date:**

## NOTE:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a Member. Proxy in order to be effective must be received by the Company not less than 48 hours before the Meeting
2. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M.
3. Members desires of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting.



# UJJAIN SMART CITY LIMITED

CIN: U75100MP2016SGC041772



## **ATTENDANCE SLIP** **4<sup>TH</sup> ADJOURNED ANNUAL GENERAL MEETING**

Folio No.	
No. of shares(s) held	
Name & Address of Registered shareholder	

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 4<sup>th</sup> **Adjourned ANNUAL GENERAL MEETING** of the Company convened at 3.00 PM on Tuesday, the 6<sup>th</sup> day of September, 2022 at Mela Karyalay, Behind Brahaspati Bhawan, Kothi Palace Road, Ujjain-456010

.....  
Member's / Proxy's Signature

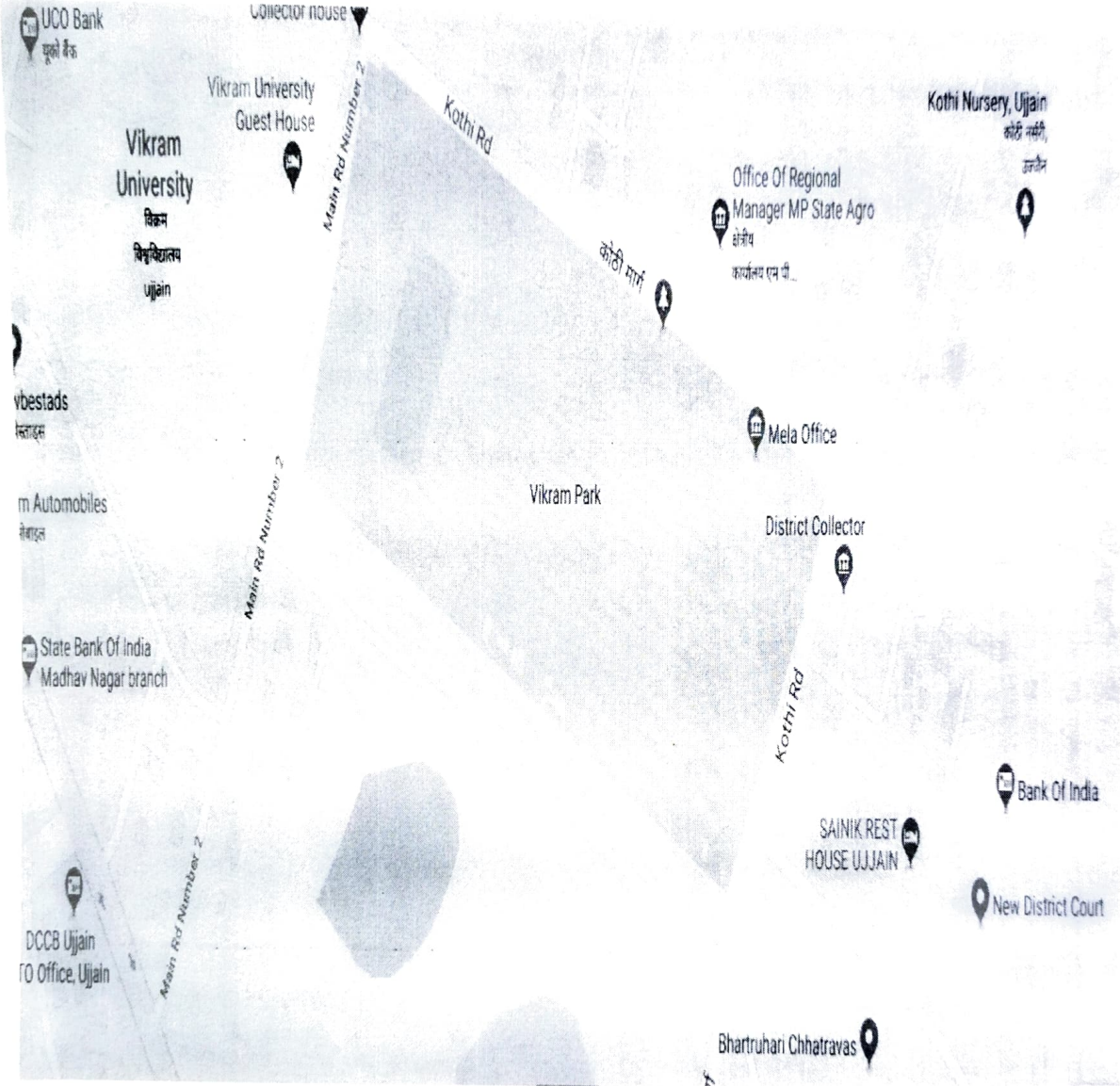
Note: Please complete this and hand it over at the entrance of the hall.

# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

**Route Map of Registered office of the Company i.e. "Mela Karyalay, Behind Brahaspati Bhawan, Kothi Palace Road, Ujjain-456010"**



Email: [ujjainsmartcity@gmail.com](mailto:ujjainsmartcity@gmail.com)  
Contact: 0731-2520319

Mela Karyalay, Kothi Palace, Ujjain  
Madhya Pradesh, India, 456010



# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

Ref No.:- 3085

Ujjain, Date:- 31/12/2020

To,

**The Managing Director,**  
**Madhya Pradesh Urban Development Co. Ltd.**  
C/o Urban Administration & Development Dept.  
Palika Bhawan, 6 No. Bus Stop, Shivaji Nagar,  
**Bhopal- 462016 MP IN**

**The Commissioner,**  
**Ujjain Municipal Corporation**  
Chatrapati Shivaji Bhawan,  
Nazar Ali Mill Parisar, Agar Malwa Road,  
**Ujjain-456001 MP IN**

**Mr. Jitendra Kumar Dubey**  
**Nominee Director**  
28 Phase 2, Parika Grah Nirman Samiti,  
Chuna Bhatti, Kolar Road , Huzur  
**Bhopal-462016 MP IN**

**Mr. Chandra Kant Sadhav**  
**Nominee Director/Member**  
Correspondence Address:  
2<sup>nd</sup> Floor, Wing-A,  
Ujjain Development Authority Building  
**Ujjain-456001 MP IN**

**Mr. Srinivasa Narasingarao Pandurangi**  
**Independent Director**  
014, S.P.A. Residential Complex NFC Taimoor  
Nagar, Srinivaspuri S.O.,  
**Delhi-110065 DL IN**

**Mr. Kalidas Saraf**  
**Independent Director**  
96-K 1, Sec. A, Gumasta Nagar,  
Scheme No. 71,  
**Indore-452009 MP IN**

**Mr. Punit Dube**  
**Nominee Director**  
B-G, 205, Scheme No. 74,  
C, Vijay Nagar,  
**Indore-452010 MP IN**

**Mr. Asheesh Singh, IAS**  
**Chairman/Member**  
C-1, Collector Nivas,  
Kothi Line, Kothi Road,  
**Ujjain-456010 MP IN**

**Mr. Kshitij Singhal, IAS**  
**Executive Director**  
House No. 01, Grand Hotel, Freeganj  
**Ujjain-456001 MP IN**

**Mr. Neelesh Dubey**  
**Nominee Director/Member**  
H. N. K-62, Kadambini Phase-1, Bagmugaliya,  
Near Arvind Vihar Huzur,  
**Bhopal-462043 MP IN**

**Ms. Rachna Kumar**  
**Nominee Director**  
House No.-904, Hindon Heights,  
Plot No.-21, Opposite Sector-4 Market, Sector  
-4, Vaishali,  
**Ghaziabad -201010 UP IN**

**Mr. Sojan Singh Rawat**  
**Nominee Director/Member**  
H-1, Udyan Marg, Kothi Road,  
**Ujjain-456010 MP IN**

**Mr. Rajeev Khurana**  
**Nominee Director**  
36, Janki Nagar Main,  
**Indore-452001 MP IN**

**Mr. Jitendra Singh Chouhan**  
**Chief Executive Officer/Member**  
E-01, Damdama Premises  
**Ujjain- 456010 MP IN**



# UJJAIN SMART CITY LIMITED

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CIN: U75100MP2016SGC041772

**K.K & Company, (CR 3843)**  
**Chartered Accountants,**  
**Statutory Auditor,**  
2, Satyam Apartments, Madhav Club Road,  
Freenganj,  
**Ujjain-456010 MP IN**

**Vatsalya Sharma & Company**  
**Company Secretaries in practice,**  
**Secretarial Auditor,**  
245/15, Ram Rahim Colony,  
**Rau -453331 MP IN**

**Mr. Juvan Singh Tomer,**  
**Chief Financial Officer,**  
**05, Block Colony,**  
**Chandrashekhar Ajad Nagar,**  
**Alirajpur, Bharwa,**  
**Alirajpur-457882 MP IN**

**Ms. Anubhuti Sohani**  
**Chartered Accountant,**  
**Internal Auditor,**  
1-C, Suryadev Nagar, Phooti Kothi Road,  
**Indore-452012 MP IN**



# UJJAIN SMART CITY LIMITED



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**NOTICE** is hereby given that the 4<sup>th</sup> Annual General Meeting of the Members of the Company shall be held on Thursday the 31<sup>st</sup> day of December, 2020 at the Registered Office of the Company at Mela Karyalay, Behind Brahaspati Bhawan, Kothi Palace Road, Ujjain-456010 at 3.00 PM to transact the following business.

## **I. ORDINARY BUSINESS:**

1. To appoint Mr. Jitendra Kumar Dubey (DIN: 07639437), who retires by rotation and being eligible, offer himself for re-appointment.
2. To appoint Mr. Neelesh Dubey (DIN: 07641198), who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint Mr. Rajeev Khurana (DIN: 08559300), who retires by rotation and being eligible, offer herself for re-appointment.
4. To take note of appointment of Statutory Auditors of the Company and to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act 2013, (“Act”) and other applicable provisions of the Act, if any and the rules framed there under, as amended from time to time, appointment of M/s S R A M & Co, (CR2395), Chartered Accountants (ICAI Firm Reg. No. 008244C) appointed as Statutory Auditor of the Company by Comptroller and Auditor General of India through letter No./CA. V/ COY/MADHYA PRADESH, USCL(1)/993 dated 26/08/2020 be and is hereby appointed as the Statutory Auditor of the Company for the financial year 2020-21.

**Note:** Audited Balance Sheet and Statement of Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March, 2020 together with the Board’s Report & Independent Auditor’s Report is under preparation and not attached with this notice.



# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

**For & on behalf of Board of Directors of  
Ujjain Smart City Limited**

**Place: Ujjain**

**Date: 31.12.2020**

*Manoj*  
**Manoj Maheshwari**  
**Company Secretary**

## **NOTE:**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a Member. Proxy in order to be effective must be received by the Company not less than 48 hours before the Meeting
2. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M.
3. Members desires of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting.



# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

## **ATTENDANCE SLIP** **FOURTH ANNUAL GENERAL MEETING**

Folio No.	
No. of shares(s) held	
Name & Address of Registered shareholder	

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the FOURTH ANNUAL GENERAL MEETING of the Company convened at 3.00 PM on Thursday the 31<sup>st</sup> day of December 2020 at Mela Karyalay, Behind Brahaspati Bhawan, Kothi Palace Road, Ujjain-456010

.....  
Member's / Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.



# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

## Form No. MGT-11

### Proxy Form

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

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Name of the Company: Ujjain Smart City Limited

Registered office: Mela Karyalay, Behind Brahaspati Bhawan, Kothi Palace Road, Ujjain-456010

Name of the member (s):

Registered address:

Email ID:

Folio No.

I/We, being the members of shares of the above named company, hereby appoint

1. Name:

Address:

Email ID:

Signature: .....or failing him

2. Name:

Address:

Email ID:



# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

**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 Annual General Meeting of the Company, to be held on Saturday the 31<sup>st</sup> day of December 2020 at 3.00 PM at Mela Karyalay, Behind Brahaspati Bhawan, Kothi Palace Road, Ujjain-456010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. ....
2. ....
3. ....
4. ....



# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

Signed this.....day of .....2020.

Signature of shareholder(s)

Affix  
Revenue  
Stamp

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.

**Notes:**

1. Proxy to be deposited at the Registered Office of the Company, not later than FORTY-EIGHT hours before the meeting.
2. All alterations made in the Form of Proxy should be initialed.
3. Please affix appropriate Revenue Stamp before putting signature.
4. In case of multiple proxies, proxy later in time shall be accepted.
5. A proxy need not be a shareholder of the Company



# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

**Route Map of Registered office of the Company i.e. "Mela Karyalay, Behind Brahaspati Bhawan, Kothi Palace Road, Ujjain-456010"**



# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

## BOARD'S REPORT

To,  
The Members,  
Ujjain Smart City Limited,  
Ujjain.

The Directors of your company are pleased to present the 4<sup>th</sup> Board's Report together with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020;

### 1. STATE OF AFFAIR, FINANCIAL PERFORMANCE AND FUTURE OUTLOOK

#### i) FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31<sup>st</sup> March, 2020 have been summarized as under:

Particulars	(Amount in Rs.)	
	Current Year	Previous Year
Total Income	7,51,15,534.00	6,49,41,888.00
Total expense incurred towards the administrative expense met out from the grant received	(7,51,15,534.00)	(6,49,41,888.00)
Profit/loss before providing Depreciation and Interest	0.00	0.00
Less: Depreciation	0.00	0.00
Interest	0.00	0.00
Profit/loss after depreciation	0.00	0.00
Less: Exceptional Item	0.00	0.00
Less: Extraordinary Item	0.00	0.00
Less: Current Tax	0.00	0.00
Less: Deferred Tax	0.00	0.00
Profit /Loss after taxation	0.00	0.00

The company has prepared its accounts under Ind-AS as required by u/s 133 of the Companies Act 2013.



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## ii) OPERATIONS AND PERFORMANCE REVIEW

The Company was formed as SPV under the Smart City Mission of Government of India to develop the City of Ujjain as Smart City by overall development of city in terms of heritage, spiritual, infrastructure, transportation, Solid waste management education and technological smart solution in day-to-day activities of resident.

The overall performance of the company towards the development of the project seems to be Improving and towards its main object of the company.

The Company, on its part has taken various initiatives to improve its operating efficiency and revenue earning potential to bring profitability of Company. Your Directors are committed to take stringent measures to ensure Company's success in this challenging and competitive capital markets industry.

## iii ) TRANSFERS TO RESERVES

The Company has not transferred any amount to General Reserve during the year under review.

## iv) DIVIDEND

Due to requirement of funds for ongoing projects and to strengthen the capital base of the Company, your Directors do not recommend any dividend for the Financial Year ended on March 31, 2020.

## v) CHANGES IN NATURE OF BUSINESS

During the year there was no change in business activity of the company.

## vi) MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

## 2. CAPITAL AND DEBT STRUCTURE

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## i) CHANGES IN SHARE CAPITAL

The Company's Authorised Capital is Rs. 200.00 Crore since its inception date, as required under Directions issued by Urban Administration and Development Department, GoMP, Bhopal.

Hence, during the financial year under review no such change in capital structure of the Company and there are no outstanding shares issued with differential rights.

## ii) DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES

The Company does not have issued Sweat Equity Shares pursuant to provisions of Section 54 read with Rule 8 of Companies (Share Capital and Debenture Rules, 2014) during the Financial Year.

## iii) DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

The Company does not issued shares under Employee's Stock Options Scheme pursuant to provisions of Section Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014). So, question does not arise about voting rights not exercised by employee.

## 3. MANAGEMENT

### i) DIRECTORS AND KEY MANAGERIAL PERRSONNEL

#### *Changes in Directors:-*

During the year under review Mr. Deepak Ratnawat ceased to hold Directorship in the Company and in his place Mr. Rajeev Khurana was appointed as Nominee Director of the Company w.e.f. 9<sup>th</sup> September, 2019. Similarly, Mr. Abhishek Dubey ceased to hold Directorship in the Company and Mr. Sojan Singh Rawat joined the Board in his place w.e.f. 16<sup>th</sup> September, 2019 as Nominee Director. Similarly, Mr. Kailash Shiva ceased to hold Directorship in the Company and in his place Mr. Punit Dube was appointed as Nominee Director of the Company w.e.f. 18<sup>th</sup> September, 2019. Ms. Pratibha Pal ceased to be Executive Director of the Company due to her transfer and Mr. Rishi Garg has appointed in his place with w.e.f. 9<sup>th</sup> January, 2020.

During the running financial year 2020-21 Mr. Rishi Garg ceased to be Executive Director of the Company due to his transfer w.e.f. 29<sup>th</sup> May, 2020 and Mr. Kshitij Ashok Singhal has appointed in his place w.e.f. 11<sup>th</sup> June, 2020. Mr. Shashank Misra ceased to be Chairman of the Company due to his transfer w.e.f. 13<sup>th</sup> May, 2020 and Mr. Asheesh Singh has appointed

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in his place w.e.f. 13<sup>th</sup> May, 2020. Mr. Sanjay Mishra ceased to hold Directorship in the Company due to his transfer and in his place Mr. Chandra Kant Sadhav was appointed as Nominee Director of the Company w.e.f. 7<sup>th</sup> July, 2020. Mrs. Rajshree Joshi as Director of Company be considered as withdrawn w.e.f. 3<sup>rd</sup> September, 2020 pursuant to Article No. 12.1.I.(i) of Articles of Association of the Company and due to dissolution of Mayor-in-council of Ujjain Municipal Corporation through Order no. F 1-91/2019/18-3 dated 08.09.2020 issued by UADD, GoMP, Bhopal. Mr. Sojan Singh Rawat ceased to hold Directorship in the Company due to his transfer w.e.f. 23<sup>rd</sup> October, 2020, further he has appointed as Nominee Director w.e.f. 6<sup>th</sup> January, 2021. Mr. Punit Dube was nominated as Director w.e.f. 18<sup>th</sup> September, 2019 but due to his official pre-occupation, he could not attend any Board Meeting held during period of last twelve months including latest Board Meeting held on 18<sup>th</sup> January, 2021. Further, as per provisions of Section 167(1)(b) of the Companies Act 2013, his office as Director of the Company has been vacated. Mr. Punit Dube, the Chief Engineer, Madhya Pradesh Paschim Keshtriya Vidyut Vitran Company Limited, Ujjain as Nominee Director with effect from 08.03.2021 vide order No. 346/MPUDC/SC/2021 by Madhya Pradesh Urban Development Co. Limited. Mr. Jitendra Kumar Dubey ceased to hold Directorship in the Company by Madhya Pradesh Urban Development Co. Limited vide Order No. 348/MPUDC/SC/2021 dated 08.03.2021 and in his place Mr. Deepak Ratnawat Nominee Director of the Company w.e.f. 08.03.2021.

The Appointment/cessation from directorship of Company for Representative of Central Government are done in compliance of orders issued by MoHUA, GoI, New Delhi and other changes in Board of USCL are done after obtaining approval/consent from M/s Madhya Pradesh Urban Development Co. Limited (the 'Holding Company').

Mr. Jitendra Kumar Dubey, Mr. Rajeev Khurana and Mr. Neelesh Dubey are retired by rotation, being eligible offer themselves for reappointment and reappointed in Annual General Meeting

### **Changes in KMPs:-**

During the year under review Mr. Pradeep Jain has been appointed as Chief Executive Officer of the Company in place of Mr. Awadhesh Sharma, in terms of Section 203 of the Companies Act, 2013 by Ministry of General Administration Department, Government of Madhya Pradesh vide its Order No. B-1/114/2019/2/One dated 01.08.2019. Mr. Pradeep Jain as Chief Executive Officer (CEO) of the Company with effect from the date of joining i.e. 28.08.2019 and Mr. Awadhesh Sharma has been considered as withdrawn with effect from date of reliving i.e. 27.08.2019.

Mr. Juvan Singh Tomer District Pension Officer vide Order No. 5A (7)/2019/E/four dated 05.07.2019 from Department of Finance, Government of MP has been appointed as Chief Controller in Ujjain Smart City Limited in place of Mr. Pawan Kumar Chouhan, Chief

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Financial Officer (Additional Charge). Mr. Juvan Singh Tomer as Chief Financial Officer (CFO) of the Company with effect from date of joining i.e. 26.07.2019 and Mr. Pawan Kumar Chouhan, Chief Financial Officer (Additional Charge) has been considered as withdrawn with effect from date of appointment of Mr. Juvan Singh Tomer i.e. 26.07.2019.

During the running financial year 2020-21, Due to transfer of Mr. Pradeep Jain, Chief Executive Officer of the Company, the Chairman of the Company has given additional charge of CEO of the Company to Mr. Ankit Ashthana, Chief Executive Officer, Zila Panchayat, Ujjain with effect from June 26, 2020 until further orders from General Administration Department, GoMP, Bhopal. Further, Mr. Jitendra Singh Chouhan has been appointed as Chief Executive Officer of the Company in terms of Section 203 of the Companies Act, 2013 by Ministry of General Administration Department, Government of Madhya Pradesh vide its Order No. B-1/119/2020/2/One dated 27.08.2020.

## ii) INDEPENDENT DIRECTORS

During the year under review Mr. Srinivasa Narasingarao Pandurangi and Mr. Kalidas Saraf were Independent Director of the Company.

During the Financial year 2020-21, Mr. Kalidas Saraf resigned from the position of Independent Director of the Company on 31.12.2020.

Later, Madhya Pradesh Urban Development Company Limited (MPUDC) vide its Order No. 264/MPUDC/SC/2021 dated 27.02.2021, provide consent for nomination of CA Kemisha Soni (DIN: 06805708) as Independent Director of the Company. CA Kemisha Soni was appointed as Independent Director of the Company on 03.03.2021 in place of Mr. Kalidas Saraf.

CA. Kemisha Soni is serving her second consecutive term in the central council of Institute of Chartered accountants of India.. She has been nominated as member to distinguished international forums for accounting professionals such as SAFA Committees of SAARC Countries on Professional Ethics and Independence and Small and Medium Practices for two years in a row from 2016 to 2018. In 2017-18, she also served as Observer, International Ethics standards Board for Accountants (IESBA) at the prestigious International Federation of Accountants (IFAC) Newyork and currently holds the position of Technical Advisor at IESBA Newyork. She is also Chairperson Women Leadership Committee of South Asian Federation of Accountants of SAARC Countries. Apart from her extensive international experience, she has helmed the affairs as Chairperson, Vice-Chairperson and Convenor of many committees viz. Committee for Capacity Building of Members in Practice(2018-19),



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Ethical Standards Board (2016-2017, 2017-2018 and 2018-19), Professional Development Committee (2017-2018), Women Members Empowerment Committee (2016-17), Group to explore various options like UDIN Unique Documents Identification Number, Group for the Arbitration related matters. Having remarkable leadership skills, she has many firsts to her credit such as the distinction of being the first Woman Chairperson of Indore branch of CIRC in 2008-09 subsequently the first woman Chairperson of CIRC in the year 2010-11 and the first woman Chairperson of the Board of Studies of ICAI in 2019-20. During her tenure as Chairperson Indore branch bagged the award for the Best Branch Award and CIRC received the award for Highly Commendable Region. Owing to her vast experience, professional expertise and sharp acumen, she has served as a Director to the Boards of Madhya Pradesh Stock Exchange and Shubhalaxmi Mahila Co-operative Bank Ltd. Indore. She also served as Regional Arbitrator at the prestigious BSE and NSE. She is a Nominated Member Madhya Pradesh Co-Operative Audit Board.

On account of her immense contribution to the accounting profession and society, she has been honoured with many awards viz. Luminaries of Central India by Danik Bhasker, Pratibha Khoj Samman by Patra Lekhak Manch and Devi Ahilya Naree Gaurav Alankaran Award.

Besides holding the Chair at Ethical Standards Board of ICAI, she currently is a Vice Chairperson of the Research Committee, Convenor of Women Members Empowerment Directorate and a member of a wide spectrum of committees viz. Accounting Standards Board, Audit Committee, Committee for Members in Practice, Editorial Board, International Affairs Committee, Committee for Members in Industry & Business and Management Committee.

The Company has also placed the Code of Conduct for Independent Directors. This Code is a guide to professional conduct for Independent Directors. Independent Director adhere these standards and fulfilled their responsibilities in a professional and faithful manner.

### **iii) DECLARATION BY INDEPENDENT DIRECTORS AND STATEMENT ON COMPLIANCE OF CODE OF CONDUCT.**

The Company has received declarations from the Independent Director of the company confirming that he meet the criteria of independence under sub-section (6) of Section 149 of the Act.

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## iv) DISQUALIFICATIONS OF DIRECTORS

During the year declarations were received from the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. Board appraised the same and found that none of the director is disqualified for holding office as director.

## v) DETAILS OF BOARD MEETINGS

During the year under review Four (4) meetings of the Board of Directors were held on 18.06.2019, 25.09.2019, 09.01.2020 and 17.03.2020 and in respect of which proper notices were given and proceedings were properly recorded in Minutes Book.

The details of Board Meetings are as follows:-

Sr. No.	Director	No. of Board Meetings		Attendance at the previous Annual General Meeting
		Held	Attended	
1	Mr. Shashank Misra*	4	4	Yes
3	Ms. Pratibha Pal**	2	2	Yes
4	Mr. Rishi Garg**	2	2	N.A.
5	Mr. Jitendra Kumar Dubey	4	1	No
6	Mr. Deepak Ratnawat***	1	0	No
7	Mr. Neelesh Dubey	4	1	No
8	Mr. Abhishek Dubey#	1	0	N.A.
9	Mr. Sanjay Mishra##	4	1	Yes
10	Ms. Rachna Kumar	4	1	No
11	Mrs. Rajshree Joshi###	4	3	No
12	Mr. Kailash Shiva@	1	0	No
13	Mr. Srinivasa Narasingarao Pandurangi	4	4	No
14	Mr. Kalidas Saraf	4	4	No
15	Mr. Rajeev Khurana***	3	3	N.A.



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16	Mr. Sojan Singh Rawat#	3	1	Yes
17	Mr. Punit Dube@	4	0	N.A.

\* Mr. Shashank Misra ceased to be Chairman of the Company due to his transfer w.e.f. 13<sup>th</sup> May, 2020 and Mr. Asheesh Singh has appointed in his place on the same date.

\*\* Ms. Pratibha Pal ceased to be Executive Director of the Company due to her transfer and Mr. Rishi Garg has appointed in his place with w.e.f. 9<sup>th</sup> January, 2020. Further Mr. Rishi Garg ceased to be Executive Director of the Company due to his transfer w.e.f. 29<sup>th</sup> May, 2020 and Mr. Kshitij Ashok Singhal has appointed in his place w.e.f. 11<sup>th</sup> June, 2020

\*\*\* Mr. Deepak Ratnawat ceased to hold Directorship in the Company and in his place Mr. Rajeev Khurana was appointed as Nominee Director of the Company w.e.f. 9<sup>th</sup> September, 2019.

# Mr. Abhishek Dubey ceased to hold Directorship in the Company and Mr. Sojan Singh Rawat joined the Board in his place w.e.f. 16<sup>th</sup> September, 2019 as Nominee Director.

##Mr. Sanjay Mishra ceased to hold Directorship in the Company due to his transfer and in his place Mr. Chandra Kant Sadhav was appointed as Nominee Director of the Company w.e.f. 7<sup>th</sup> July, 2020.

### Mrs. Rajshree Joshi as Director of Company be considered as withdrawn w.e.f. 3<sup>rd</sup> September, 2020 pursuant to Article No. 12.1.I.(i) of Articles of Association of the Company and due to dissolution of Mayor-in-council of Ujjain Municipal Corporation through Order no. F 1-91/2019/18-3 dated 08.09.2020 issued by UADD, GoMP, Bhopal.

@Mr. Kailash Shiva ceased to hold Directorship in the Company and in his place Mr. Punit Dube was appointed as Nominee Director of the Company w.e.f. 18<sup>th</sup> September, 2019.

Resolution(s) by Circulation:

**Resolution(s) by Circulation:** During the financial year under review and running financial year, following Board/Committee Resolution(s) were proposed and passed by majority of Board/Committee Members by way of "Resolution by Circulation" under

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Section 175 of the Companies Act, 2013, which were also discussed / recorded in Board/Committee Meeting(s) held thereafter:-

Financial Year	S.N.	Board/ Committee Resolution	Board/ Committee Resolution No.	Date of Approval
2019-20	1	Board	CBR-01/2019-20	31.08.2019
2019-20	2	Board	CBR-02/2019-20	31.08.2019
2019-20	3	Board	CBR-03/2019-20	31.08.2019
2019-20	4	Board	CBR-04/2019-20	31.08.2019
2019-20	5	Board	CBR-05/2019-20	31.08.2019
2019-20	6	Board	CBR-06/2019-20	31.08.2019
2019-20	7	Board	CBR-07/2019-20	31.08.2019
2019-20	8	Board	CBR-08/2019-20	31.08.2019
2019-20	9	Board	CBR-09/2019-20	31.08.2019
2019-20	10	Share Transfer and Allotment Committee	CBR-01/2019-20	06.09.2019
2019-20	11	Share Transfer and Allotment Committee	CBR-02/2019-20	06.09.2019
2019-20	12	Nomination and Remuneration Committee	CBR-01/2019-20	06.09.2019
2019-20	13	Nomination and Remuneration Committee	CBR-02/2019-20	06.09.2019
2019-20	14	Nomination and Remuneration Committee	CBR-03/2019-20	06.09.2019
2019-20	15	Nomination and Remuneration Committee	CBR-04/2019-20	06.09.2019
2019-20	16	Nomination and Remuneration Committee	Revised CBR-01/2019-20	24.09.2019



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2019-20	17	Nomination and Remuneration Committee	Revised CBR-03/2019-20	24.09.2019
2019-20	18	Board	CBR-10/2019-20	14.11.2019
2019-20	19	Board	CBR-11/2019-20	10.12.2019
2019-20	20	Board	CBR-12/2019-20	04.01.2020
2019-20	21	Board	CBR-13/2019-20	04.01.2020
2019-20	22	Board	CBR-14/2019-20	04.01.2020
2019-20	23	Board	CBR-15/2019-20	28.02.2020
2020-21	24	Board	CBR-01/2020-21	05.06.2020
2020-21	25	Board	CBR-02/2020-21	05.06.2020
2020-21	26	Board	CBR-03/2020-21	05.06.2020
2020-21	27	Share Transfer and Allotment Committee	CBR-01/2020-21	02.09.2020
2020-21	28	Nomination and Remuneration Committee	CBR-01/2020-21	10.10.2020
2020-21	29	Share Transfer and Allotment Committee	CBR-02/2020-21	25.11.2020
2020-21	30	Board	CBR-04/2020-21	30.12.2020
2020-21	31	Board	CBR-05/2020-21	03.03.2021
2020-21	32	Board	CBR-06/2020-21	03.03.2021

## vi) AUDIT COMMITTEE

The Company is required to constitute Audit Committee as required under Section 177 (1) of Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers)

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Rules, 2014. Company has constituted Audit Committee by way of resolution by circulation dated 14<sup>th</sup> September, 2018 with the following Board Members:

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. K.D. Saraf	Independent Director	08227398	Chairman
2	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member
3	Mr. Sanjay Mishra	Non-Executive Director	07642242	Member

Further, due to transfer of One of the member Mr. Sanjay Mishra, the reconstitution of Audit Committee is required. Consequently, the Audit Committee was re-constituted in the 17<sup>th</sup> Board Meeting held on 28<sup>th</sup> July, 2020 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. K.D. Saraf	Independent Director	08227398	Chairman
2	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member
3	Mr. Rajeev Khurana	Non-Executive Director	08559300	Member

Further, due to resignation of One of the member Mr. K. D. Saraf , the reconstitution of Audit Committee is required. Consequently, the Audit Committee was re-constituted by the circulation Board resolution by the majority of directors on 03.03.2021 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	CA Kemisha Soni	Independent Director	06805708	Member
2	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member
3	Mr. Rajeev Khurana	Non-Executive Director	08559300	Member

## vii) NOMINATION AND REMUNERATION COMMITTEE



CIN: U75100MP2016SGC041772

The Company is required to constitute Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. Company has constituted Nomination and Remuneration Committee by way of resolution by circulation dated 14<sup>th</sup> September, 2018 with the following Board Members:

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. K.D. Saraf	Independent Director	08227398	Member
2	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member
3	Mr. Deepak Ratnawat	Non-Executive Director	07640768	Member

Further, due to transfer of some Directors, the reconstitution of Nomination and Remuneration Committee was required. Consequently, the Nomination and Remuneration Committee was re-constituted in the 13<sup>th</sup> Board Meeting held on 18<sup>th</sup> June, 2019 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. K.D. Saraf	Independent Director	08227398	Member
2	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member
3	Mr. Sanjay Mishra	Non-Executive Director	07642242	Member

Further, due to transfer of One of the member Mr. Sanjay Mishra, the reconstitution of Nomination and Remuneration Committee is required. Consequently, the Nomination and Remuneration Committee was re-constituted in the 17<sup>th</sup> Board Meeting held on 28<sup>th</sup> July, 2020 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman /
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				<b>Member</b>
1	Mr. K.D. Saraf	Independent Director	08227398	Member
2	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member
3	Mr. Chandra Kant Sadhav	Non-Executive Director	06613733	Member

Further, due to resignation of One of the member Mr. K. D. Saraf , the reconstitution of Nomination and Remuneration Committee is required. Consequently, the Nomination and Remuneration Committee was re-constituted in the 20<sup>th</sup> Board Meeting held on 09.03.2021 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	CA Kemisha Soni	Independent Director	06805708	Member
2	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member
3	Mr. Chandra Kant Sadhav	Non-Executive Director	06613733	Member

## viii) FINANCE COMMITTEE

In terms of Clause 12.15 of Article of Association of the Company, Company has to constitute the Finance Committee for the approval of financing matters including any proposed amendments to the Financing Plan. Company has constituted Finance Committee by way of resolution by circulation dated 14<sup>th</sup> September, 2018 with the following Board Members:

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. K.D. Saraf	Independent Director	08227398	Member
2	Mr. Sanjay Mishra	Non-Executive Director	07642242	Member
3	Mr. Deepak Ratnawat	Non-Executive Director	07640768	Member



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Further, due to transfer of some Directors, the reconstitution of Finance Committee was required. Consequently, the Finance Committee was re-constituted in the 13<sup>th</sup> Board Meeting held on 18<sup>th</sup> June, 2019 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. K.D. Saraf	Independent Director	08227398	Member
2	Mr. Sanjay Mishra	Non-Executive Director	07642242	Member
3	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member

Further, due to transfer of One of the member Mr. Sanjay Mishra, the reconstitution of Finance Committee is required. Consequently, the Finance Committee was re-constituted in the 17<sup>th</sup> Board Meeting held on 28<sup>th</sup> July, 2020 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. K.D. Saraf	Independent Director	08227398	Member
2	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member
3	Mr. Chandra Kant Sadhav	Non-Executive Director	06613733	Member

Further, due to resignation of One of the member Mr. K. D. Saraf, the reconstitution of Finance Committee is required. Consequently, the Finance Committee was re-constituted in the 20<sup>th</sup> Board Meeting held on 09.03.2021 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. Deepak Ratnawat	Non-Executive Director	07640768	Member
2	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member
3	Mr. Chandra Kant Sadhav	Non-Executive Director	06613733	Member

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## ix) SHARE TRANSFER AND ALLOTMENT COMMITTEE

In terms of Clause 12.15 of Article of Association of the Company, Company has to constitute the Share Transfer and Allotment Committee to approve allotment of Shares and any and all transfers thereof. Company has constituted Share Transfer and Allotment Committee by way of resolution by circulation dated 14<sup>th</sup> September, 2018 with the following Board Members:

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Ms. Rachna Kumar	Non-Executive Director	07725752	Member
2	Mrs. Rajshree Joshi	Non-Executive Director	07844627	Member
3	Mr. Neelesh Dubey	Non-Executive Director	07641198	Member

Further, due to dissolution of Mayor-in-council of Ujjain Municipal Corporation, the office of Mayor's Representative Mrs. Rajshree Joshi as Nominee Director of USCL deemed to be ceased, the reconstitution of Share Transfer and Allotment Committee is required. Consequently, the Share Transfer and Allotment Committee was re-constituted in the 18<sup>th</sup> Board Meeting held on 22<sup>nd</sup> October, 2020 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Ms. Rachna Kumar	Non-Executive Director	07725752	Member
2	Mr. Rajeev Khurana	Non-Executive Director	08559300	Member
3	Mr. Neelesh Dubey	Non-Executive Director	07641198	Member

## x) PROJECT MANAGEMENT COMMITTEE

In terms of Clause 12.15 of Article of Association of the Company, Company has to constitute the Project Management Committee for the purpose of supervising and monitoring the progress in implementation of the Projects. Company has constituted Project

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Management Committee by way of resolution by circulation dated 14<sup>th</sup> September, 2018 with the following Board Members:

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. Abhishek Dubey	Non-Executive Director	07642229	Member
2	Mr. Sanjay Mishra	Non-Executive Director	07642242	Member
3	Mr. Deepak Ratnawat	Non-Executive Director	07640768	Member

Further, due to transfer of some Directors, the reconstitution of Project Management Committee was required. Consequently, the Project Management Committee was re-constituted in the 13<sup>th</sup> Board Meeting held on 18<sup>th</sup> June, 2019 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member
2	Mr. Sanjay Mishra	Non-Executive Director	07642242	Member
3	Mr. Jitendra Kumar Dubey	Non-Executive Director	07639437	Member

Further, due to transfer of one of the member Mr. Sanjay Mishra, the reconstitution of Project Management Committee is required. Consequently, the Project Management Committee was re-constituted in the 17<sup>th</sup> Board Meeting held on 28<sup>th</sup> July, 2020 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member
2	Mr. Chandra Kant Sadhav	Non-Executive Director	06613733	Member
3	Mr. Jitendra Kumar Dubey	Non-Executive Director	07639437	Member



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Further, due to nomination withdrawn by Madhya Pradesh Urban Development Co. Limited one of the member Mr. Jitendra Kumar Dubey, the reconstitution of Project Management Committee is required. Consequently, the Project Management Committee was re-constituted in the 21<sup>st</sup> Board Meeting held on 27<sup>th</sup> July, 2021 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. Srinivasa Narasingarao Pandurangi	Independent Director	06926482	Member
2	Mr. Chandra Kant Sadhav	Non-Executive Director	06613733	Member
3	Mr. Deepak Ratnawat	Non-Executive Director	07640768	Member

## xi) COMPENSATION COMMITTEE

In terms of Clause 12.15 of Article of Association of the Company, Company has to constitute the Compensation Committee to approve or propose remuneration and compensation of the senior management of the Company. Company has constituted Compensation Committee by way of resolution by circulation dated 14<sup>th</sup> September, 2018 with the following Board Members:

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. K.D. Saraf	Independent Director	08227398	Member
2	Mr. Jitendra Kumar Dubey	Non-Executive Director	07639437	Member
3	Mr. Deepak Ratnawat	Non-Executive Director	07640768	Member

Further, due to transfer of some Directors, the reconstitution of Compensation Committee was required. Consequently, the Compensation Committee was re-constituted in the 13<sup>th</sup> Board Meeting held on 18<sup>th</sup> June, 2019 with the following Board Members:-

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S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. K.D. Saraf	Independent Director	08227398	Member
2	Mr. Jitendra Kumar Dubey	Non-Executive Director	07639437	Member
3	Mr. Neelesh Dubey	Non-Executive Director	07641198	Member

Further, due to resignation of One of the member Mr. K. D. Saraf , the reconstitution of Compensation Committee is required. Consequently, the Compensation Committee was re-constituted in the 20<sup>th</sup> Board Meeting held on 09.03.2021 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Mr. Deepak Ratnawat	Non-Executive Director	07640768	Member
2	Mr. Chandra Kant Sadhav	Non-Executive Director	06613733	Member
3	Mr. Neelesh Dubey	Non-Executive Director	07641198	Member

## xii) RISK MANAGEMENT COMMITTEE

In terms of Clause 12.15 of Article of Association of the Company, Company has to constitute the Risk Management Committee. The Board will define the roles and responsibilities of the said committee and such other functions as it may deem fit. Company has constituted Risk Management Committee by way of resolution by circulation dated 14<sup>th</sup> September, 2018 with the following Board Members:

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Ms. Rachna Kumar	Non-Executive Director	07725752	Member
2	Mr. Jitendra Kumar Dubey	Non-Executive	07639437	Member

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		Director		
3	Mr. Abhishek Dubey	Non-Executive Director	07642229	Member

Further, due to transfer of some Directors, the reconstitution of Risk Management Committee was required. Consequently, the Risk Management Committee was re-constituted in the 13<sup>th</sup> Board Meeting held on 18<sup>th</sup> June, 2019 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Ms. Rachna Kumar	Non-Executive Director	07725752	Member
2	Mr. Jitendra Kumar Dubey	Non-Executive Director	07639437	Member
3	Mr. Neelesh Dubey	Non-Executive Director	07641198	Member

Further, due to nomination withdrawn by Madhya Pradesh Urban Development Co. Limited one of the member Mr. Jitendra Kumar Dubey, the reconstitution of Risk Management Committee was required. Consequently, the Risk Management Committee was re-constituted in the 21<sup>st</sup> Board Meeting held on 27<sup>th</sup> July, 2021 with the following Board Members:-

S.N.	Name of Director	Category	DIN	Chairman / Member
1	Ms. Rachna Kumar	Non-Executive Director	07725752	Member
2	Mr. Deepak Ratnawat	Non-Executive Director	07640768	Member
3	Mr. Neelesh Dubey	Non-Executive Director	07641198	Member

### xiii) DETAILS OF COMMITTEE(S)/ INDEPENDENT DIRECTORS MEETINGS

The Members of Audit Committee were duly met one (1) time during the financial year 2019-20 under review on 24.09.2019. The details of such Committee Meeting and Members attendance therein are as follows:-



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Sr. No.	Name of Committee Member	No. of Committee Meetings Held	No. of Committee Meetings Attended (Physically/Electronically)
1	Mr. K.D. Saraf	1	1
2	Mr. Srinivasa Narasingarao Pandurangi	1	0
3	Mr. Sanjay Mishra	1	1

The Members of Audit Committee were duly met one (2) time during the running financial year under review on 24.12.2020 and 05.03.2021. The details of such Committee Meeting and Members attendance therein are as follows:-

Sr. No.	Name of Committee Member	No. of Committee Meetings Held	No. of Committee Meetings Attended (Physically/Electronically)
1	Mr. K.D. Saraf*	2	1
2	Mr. Srinivasa Narasingarao Pandurangi	2	1
3	Mr. Rajeev Khurana	2	2
4	CA Kemisha Soni**	2	1

\* Mr. K. D. Saraf resigned from the Board of Directors with effect from 31.12.2020.

\*\* CA Kemisha Soni appointed by the Board of Directors with effect from 03.03.2021.

The Independent Directors were duly met one (1) time during the financial year under review on 09.01.2020. The details of such Independent Directors Meeting and Members attendance therein are as follows:-

CIN: U75100MP2016SGC041772

Sr. No.	Name of Independent Directors	No. of Independent Directors Meetings Held	No. of Independent Directors Meetings Attended (Physically/Electronically)
1	Mr. K.D. Saraf	1	1
2	Mr. Srinivasa Narasingarao Pandurangi	1	1

## xiv) RECOMMENDATIONS OF AUDIT COMMITTEE

The Board always honored the views of Audit Committee given on any agenda item and there was no subject matter on which Board not accepted Audit Committee recommendation.

## xv) ANNUAL EVALUATION OF PERFORMANCE OF BOARD

The being as Government Company, not required to carry formal annual evaluation by the Board of its own performance and that of its committees and individual directors pursuant to Section 134 (3) (p) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014. Although, Directors of the Company are vigilant towards their duties and responsibilities as Director of the Company.

## xvi) PARTICULARS OF EMPLOYEES

None of the employee of the company is drawing remuneration of Rs. 1,02,00,000/- (Rupees One Crore and Two Lakh) per annum or more if employed throughout the Financial Year or Rs. 8,50,000/- (Rupees Eight Lakh and Fifty Thousand) per month if employed for a part of the Financial Year. Further, also that none of the employee was in receipt of remuneration in excess of that drawn by the Managing Director or Whole-time Director or Manager (wherever they are appointed), and does not hold by himself or along with his spouse and dependent children, 2 (two) percent or more equity shares of the Company. Further, that the mentioned disclosure is for the employees other than Directors of the Company and details regarding Directors have been given in MGT-9 which is annexed as **Annexure-I** with this report.

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**xvii) REMUNERATION/COMMISSION RECEIVED BY DIRECTORS FROM HOLDING**

During the year under review none of the director of the company in receipt of the commission or remuneration from holding company of the company, if any as provided under section 197 (14) of Companies Act, 2014.

**xviii) DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, (the Act) your Directors confirm that:

(a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis;

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

(f) The Directors, in case of a listed company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

Explanation—For the purposes of this clause, the term “internal financial controls” means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to 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.



## **xix) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The internal control system with respect to financial statement and there adequacy has been duly take care by the Board of Directors of the Company. The internal controls exist in the system and that sufficient measures are taken to update the internal control system, as and when needed. The system also ensures that all transaction are appropriately authorized, recorded and reported as and when required.

## **xiv) REPORTING OF FRAUD BY AUDITORS**

There was no fraud in the Company, which was required to report by auditors (Statutory Auditor or Secretarial Auditor) of the Company to the Audit Committee/Board under sub-section (12) of section 143 of Companies Act, 2013.

## **4. SUBSIDIARY, ASSOCIATE COMPANIES AND JOINT VENTURE**

The Company does not have any Subsidiary Company, Joint venture or Associate Company. Although the Company is subsidiary of Madhya Pradesh Urban Development Company Limited under section 2(87)(i) read with clause (b) of explanation of the Companies Act, 2013.

## **5. DEPOSITS**

The Company has not accepted any deposits from public within the meaning of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## **6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Being the government Company provision of section 186 not applicable to the Company.

## **7. RELATED PARTY TRANSACTIONS**

Details of transactions entered by Company which falls under Section 188 (1) of the Companies Act, 2013 are already forming part of Financial Statements; kindly refer to notes to the accounts attached with the Financial Statements.

## **8. CORPORATE SOCIAL RESPONSIBILITY STATEMENTS**

The company is not required to provide statement on Corporate Social Responsibility as per Section 134 (3) of the companies Act, 2013 as the company do not fall under the criteria provided under section 135 (1) of Companies Act, 2013, therefore no such committee was constituted.

## 9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

### 1. CONSERVATION OF ENERGY:

#### a. The steps taken or impact on conservation of energy-

The company is putting continues efforts to reduce the consumption of energy and maximum possible saving of energy.

#### b. The steps taken by the company for utilizing alternate sources of energy-

The Company has used alternate source of energy, whenever and to the extent possible

#### c. The capital investment on energy conservation equipments- NIL

### 2. TECHNOLOGY ABSORPTION:

#### a. the effort made towards technology absorption-

No specific activities have been done by the Company.

#### b. the benefits derived like product improvement, cost reduction, product development or import substitution-

No specific activity has been done by the Company

#### c. in case of imported technology imported during the last three years reckoned from the beginning of the financial year:- NA

#### d. the expenditure incurred on Research & Development.- NIL

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

There are no Foreign Exchange earnings and outgoings were taken place during the financial year as required by Companies (Accounts) Rules, 2014.

## 10. STATEMENT INDICATING DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board of Directors of the Company state that risk associated in the ordinary course of business is duly taken care by the Board while taking business decisions. Further the company need not required to formulate any specified risk management policy.

## 11. ESTABLISHMENT OF VIGIL MECHANISM

Your company does not meet the requirements of Section 177(9) of Companies Act, 2013 read with rule 7 of the Companies (Meetings of Board and its Powers) Rules for establishing Vigil Mechanism, therefore no such mechanism was established by the Board.

## 12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

## 13. AUDITORS

**K K & CO, (CR3843) ,Chartered Accountants**, of Ujjain is appointed as Statutory Auditor of the Company from financial year 2019-20 by virtue of Order issued by The Comptroller and Auditor-General of India (C&AG) for their appointment and remuneration.

pursuant to the provisions of Section 139 of the Companies Act 2013, ("Act") and other applicable provisions of the Act, if any and the rules framed there under, as amended from time to time, appointment of M/s K K & Co, \_(CR3843), Chartered Accountants (ICAI Firm Reg. No.\_007691G) Appointed by Comptroller and Auditor General of India through letter No./CA. V/ COY/MADHYA PRADESH,USCL( 1 )/1383 dated 22/08/2019 be and is hereby appointed as the Statutory Auditor of the Company for the financial year 2019-20, in terms of Section 139(5) of the Companies Act, 2013. M/s K K & Co,(CR3843), Chartered Accountants have also given their consent to act as Statutory Auditor of the Company under Section 139 of the Companies Act, 2013 for the Financial Year 2019-20 and a certificate under Section 141 of the Companies Act, 2013 has also been received from the existing auditor M/s K K & Co, \_(CR3843), Chartered Accountants, Ujjain. Copy of order of C&AG and consent of auditor may be placed before Board.

**Vatsalya Sharma & Company** , Company Secretaries, Indore are appointed Secretarial Auditors of the Company for the Financial Year 2019-20.



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**Ms. Anubhuti Sohani**, Chartered Accountant, was appointed as Internal Auditor of the Company in terms of Section 138 of the Companies Act, 2013.

## 14. SECRETARIAL AUDIT REPORT

Requirements of the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are applicable to the company. A Report from **Vatsalya Sharma & Company**, Company Secretaries, the Secretarial Auditors of the Company has been received for the FY 2019-20. Secretarial Auditor as given following qualifications which are explained below:- annexed as **Annexure-III** with this report

### Point No. 2 of the Report:-

- a) The company has held its Annual General Meeting on 31.12.2020 for the financial year 2019-20 which was adjourned sine die;

Explanation- AGM for the FY 2019-20 was adjourned beyond statutory time limit due to non-availability of C&AG comment on Financial Statement etc.

- b) The Commissioner of Ujjain Municipal Corporation is also the Executive Director of the Company and as per article 12.1 & 12.9.2 of the Article of Association of the company, Municipal Commissioner of the Ujjain Municipal Corporation is the director of the company. But they do not have any personal interest in the contracts of the company and the same person has been appointed in both designations by virtue of law

Explanation- The Commissioner as well as Executive Director does not have personal interest in the contract as he is appointed by the State Government and State Government owned Company respectively and by virtue of his appointment as Commissioner of the Local Body he occupy the office of the Executive Director in USCL.

- c) The company has not made any provision for interest as required under section 16 of Micro, Small, and Medium Enterprises Development (MSMED) Act, 2006

Explanation- Since the amount mentioned in the Auditors Report has not been clarified by the Statutory Auditor, therefore, we are unable to comment. However, the Company

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has made payment as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

## 15. AUDITORS REPORT

The Auditors, in their report have referred to the Notes forming part of the Final Accounts, considering the principle of the materiality; the notes are self explanatory and do not need any further comments under Section 134 of Companies Act, 2013. Further following emphasis on matter and other matters are cited in the report:

### Emphasis of Matter

(a) Without qualifying our opinion, we draw attention to note no. 11 to the financial statement relating to payment made to Ujjain Municipal Corporation.

The company is executing following three projects which are implemented by Ujjain Municipal Corporation and are also partly funded by the company:-

- Construction of sewerage network in ABD area of Ujjain under 'AMRUT'.
- 24x7 water supply in ABD area.
- MRIDA – Relocation under PMAY.

Out of the above it is observed that, in respect to MRIDA – Relocation under PMAY, during the F.Y. 2019-20, a sum of Rs. 2.89 crores was transferred to Ujjain Municipal Corporation. This is despite the fact the project work was not started by Ujjain Municipal Corporation. The transfer of funds from company to Ujjain Municipal Corporation should have been based on the progress of the project and based on the utilization certificate issued by Ujjain Municipal Corporation.

**Explanation-** Matter of project MRIDA-relocation under PMAY and transfer of associated cost was approved in the 10<sup>th</sup> meeting of Board of Directors held on July 26, 2018. Accordingly, fund was transferred to UMC. However, UMC could not commence work for various reasons.

Since, Ujjain Municipal Corporation is an Urban Local Body and is committed to execute the work and therefore, there is no possibility of any loss of funds.

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(b) The Company and Ujjain Municipal Corporation signed a Memorandum of Understanding for development of Swimming pool project, wherein it was agreed that the Ujjain Municipal Corporation will contribute a sum of Rs. 5.00 crores towards Phase-I contribution. Ujjain Municipal Corporation requested the company to contribute their share in the project which will be reimbursed subsequently by them. However in the board meeting held on October 22, 2020 it was decided to annul the share of the Ujjain Municipal Corporation of Rs. 5.62 crores.

It is pertinent to note that the swimming pool project was started on the basis of equal contribution by both the parties. Eventually it was decided that the company will bear the burden of entire cost. It is also important to note that the Commissioner of Ujjain Municipal Corporation is also the Executive Director of the Company. It is observed that the required disclosures were not made in terms of provisions of the Companies Act, 2013 (including all amendments re-enactments thereto) read with the rules framed there under and the Secretarial Standard 1 i.e. Secretarial Standard on board meetings issued by The Institute of Companies Secretaries of India.

Further, from the perusal of the records of the company it is observed that the construction of swimming pool phase-II has also commenced. As per the Memorandum of Understanding, the Ujjain Municipal Corporation had to contribute Rs. 10 crores towards its share for Phase-II. Board of Directors in their meeting held on Oct.22, 2020 have decided that now Ujjain Municipal Corporation will not financially contribute for phase-II of the project.

The above two decisions have increased the financial burden of the Company & will adversely impact the resources of the Company. Now the Company has to deploy additional resources. The decision is also not in line with the Smart City Mission guidelines given on 'Financing of Smart Cities' which stipulates matching contribution.

As annulment of share for Phase-I has taken place subsequently, the profit sharing ratio, on operation of the swimming pool, which was decided earlier to be equal in the signed Memorandum of Understanding and other terms & conditions have also to be revised accordingly which has not been done by the Company.

## **Explanation-**

UMC is Urban Local Body governed by the Municipal Corporation headed by Mayor-in-Council and a Body Corporate under the Madhya Pradesh Municipal Corporation Act, 1956, and Commissioner is an employee as appointed by State Government. And

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USCL is a State Government Company registered under the Companies Act, 2013. As per the Articles of Association of the USCL, the Commissioner of the UMC shall be appointed as Executive Director of USCL, subject to approval of Madhya Pradesh Urban Development Co. Ltd. (MPUDCL) (a State Govt. Company).

Therefore, Commissioner of UMC is appointed by the State Govt. and the MPUDCL nominates the Commissioner of UMC as an Executive Director of the USCL. As per the Articles of Association, both the positions are held by same person.

Executive Director along with any other Director of the USCL (on behalf of UMC) do not hold two percent or more of paid up share capital in USCL therefore, exception given in Clause (b) of sub Section (5) of section 184 of Companies Act, 2013 is applicable to the Executive Director of USCL

Therefore disclosure is not applicable for any contract or arrangement with UMC.

Further, the Commissioner as well as Executive Director does not have any personal interest in the contracts as he is appointed by the State Government and State Government owned Company respectively and by virtue of his appointment as Commissioner of the Local Body he occupies the office of the Executive Director in USCL.

Smart City Mission Guidelines are duly followed by the Company and there is no violation of any rules. Addendum to Memorandum of Understanding has already been executed between UMC and USCL in Jan 2021. It is worth mentioning that in the Addendum to MOU, it has been mutually agreed by USCL and UMC that "any revenue generated from the operation and management of both the facilities (after meeting out a the expenses shall remain with USCL" hence now all revenue shall be kept by USCL.

(c ) Without qualifying our opinion, we draw attention to the transfer to Bhopal Smart City Limited.

Directorate, Urban Administration & Development, M.P ,Bhopal vide their letter number 2144/SC/UAD/2017 dated 21/12/2017 instructed the Company to transfer Rs. 50 crores to Bhopal Smart City Limited out of grant received from State Government.



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Accordingly, the Company transferred Rs. 50 crores, out of State Government share of the grant to Bhopal Smart City Limited and the Company has deducted the same from the grant received.

However, as per Smart City Mission guidelines, grant available with one Smart City Company cannot be transferred to another Smart City Company.

It appears that the object of the State Government was to provide temporary funds to Bhopal Smart City Limited. The Company is demanding this sum from the State Authorities and has sent six reminders for the same. Therefore, in our view, instead of reducing the amount from the grant received, sum of Rs. 50.00 crores should have been shown as amount receivable under Current Assets from Bhopal Smart City Limited.

### **Explanation-**

Submission is as follows:

- 1) Referred transaction is from FY 2017-18.
- 2) Amount transferred to Bhopal Smart City Limited was in response to the order issued by Directorate, Urban Administration & Development, M.P, Bhopal (mentioned in the query)
- 3) Vide letter, fund of INR 50 Cr was demanded by the State authorities and not by Bhopal Smart City.
- 4) There is no correspondence /communication took place with Bhopal Smart City Limited regarding transfer of funds. It was mere a banking transaction between Ujjain & Bhopal.
- 5) Accounting is done based on available facts and underlying documents. There is no under lying document available based on which Ujjain Smart City can show receivable from Bhopal Smart City.
- 6) Since grant amount was transferred back to the State authorities, Bhopal Smart City cannot be recognised as receivables.
- 7) Funds from state authorities will be accounted for in the Books of accounts as per requirement of Para 7 of INDAS 20.

## Other Matters

1. Reference is drawn to the Para (viii) of page 03 of the Memorandum of Understanding executed between the Company and Ujjain Municipal Corporation for swimming pool project, which reads as under –

Contractor / developer will raise invoice on the Company for construction as well as for Operation & Maintenance expense for 5 years as per the terms of tender document. The Company shall pay the entire invoice amount to contractor and raise demand note on Ujjain Municipal Corporation for agreed share as mentioned in para (vi) of the Memorandum of Understanding. Subsequently, Ujjain Municipal Corporation shall make payment to the Company as per the demand note issued on monthly basis. In the event of non-payment by Ujjain Municipal Corporation, the Company will have right to adjust the amount from any amount payable to Ujjain Municipal Corporation.

However, it is observed that the company has not regularly raised the demand notes to Ujjain Municipal Corporation, which were required to be raised on the monthly basis to recover its share of amount.

### Explanation-

Ujjain Smart City Limited issued demand notes to Ujjain Municipal Corporation for proportionate share based on RA Bills raised by the Contractors. All the debit notes were accounted for properly in the books of accounts and USCL also received INR 62,60,706/- from UMC against debit notes.

Additionally, Ujjain Smart City sent multiple demand letters also to UMC for reimbursement of proportionate share.

2. The expected date of completion of Phase II of swimming pool was September 2020 and the project cost for the same was estimated at Rs. 29.50 crores. It is observed that, the phase II of swimming pool is not completed yet and hence revision in the cost of swimming pool is required, for which no disclosure is given in the financial statements.

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## **Explanation-**

It is item rate-based contract wherein item wise price is quoted by the Contractor against Bill of Quantity as per Terms of Reference. Cost of work is calculated as per consumption/use of items mentioned in BoQ and delay in execution/time extension not necessarily contribute to cost increase. Further, project cost is reviewed at regular interval and no change in cost was envisaged as on reporting date. Therefore, no disclosure was required to be made in the Financial Statement.

3. Amount paid by the company for swimming pool maintenance to the contractor has been treated as Operational & Maintenance expense, despite the fact that such payment is the part of total contract value. In our view, the entire payment made to the contractor during the construction phase of Swimming Pool should be capitalized as swimming pool cost instead of treating the same as revenue expenditure.

## **Explanation-**

Accounting of O&M expenses is done based on nature of transaction and available underlying documents and is in line with Indian Accounting Standard. The Project work was envisaged as construction and operation & Maintenance for 5 Years. Single contractor was appointed for ease of execution.

Bidder quoted 2 separate values for Capex work and O&M work. Quoted O & M cost includes is for 60 months, and equal amount is recognized for each month. Accordingly, being a recurring nature expenses O&M cost is recognized as Project Revenue Expenses in Profit & Loss Statement.

Payment done to contractor during construction phase has been capitalized and expenses on operation & maintenance (illustrated below) are recognized in Profit & Loss Statement.

- 1) Manpower to run Swimming Pool (by Contractor)
- 2) Maintenance of equipment and machines including consumables items. (by Contractor)
- 3) Chemicals required for maintenance of swimming pool (by Contractor)
- 4) Security guard (by Contractor)
- 5) Manpower for housekeeping and electricity charges etc. (USCL)

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4. The company is having substantial fixed deposits with Axis Bank. It has earned a sum of Rs. 16.23 crores as interest on the same during the year. It is noted that at the time of making deposit or at the time of maturity or at the time of renewal of fixed deposits no deliberations were made or no competitive quotes were invited for parking the funds with other banks for getting higher rate of interest and the fixed deposits were continued to be made in the Axis Bank.

**Explanation-**

Proper due diligence is assured while depositing funds in banks and only temporary surplus fund is invested by the company. Executive Director is authorized by the Article of Association for decisions related to investment.

5. The company has kept huge amount of idle funds in its saving account maintained with Axis Bank Limited. The month wise average balance kept by the company are as below :

Month	Average Balance (Rs. in crore)
April	11.00
May	4.00
June	5.00
July	4.00
August	2.00
September	4.00
October	4.00
November	3.00
December	3.00
January	2.00
February	6.00
March	3.00



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The company has earned saving bank interest on the above account as below:

Quarter End	Amount (Rs. in lacs)
June	8.37
Sept	3.90
December	3.03
March	3.41
<b>Total</b>	<b>18.72</b>

If the company had kept these funds in fixed deposit account or in flexi deposit account the company could have earned higher interest income to the tune of (approx) Rs.40.00 lacs during the year. By not doing so the company has incurred an estimated loss of Rs. 21.28 lacs till the end of the reporting year.

## Explanation-

It is submitted that the Company has not incurred any loss and the amount of loss mentioned in the Auditor's Report is ambiguous as no calculation submitted in favor of it by the Auditor.

Moneys in saving bank account are required to maintain liquidity position and only temporary surplus fund is invested in FDs. Average liquidity of appx. INR 6-7 Crore per month is maintained in the bank accounts considering average monthly transactions of INR 8 to 10 Crore during FY 2019-20. Sometimes high value disposals are also done by the Company. Below table shows monthly transactions done by the Company.

Month (FY 2019-20)	Appx avg Bal in Saving account (In Cr) (As reported by Auditor)	Appx Utilisation (In Cr)
April	11.00	6.25
May	4.00	3.48
June	5.00	6.73
July	4.00	7.43

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August	2.00	8.08
September	4.00	51.89
October	4.00	20.75
November	3.00	6.48
December	3.00	3.05
January	2.00	9.74
February	6.00	10.86
March	3.00	4.28

Company has also explored possibilities of flexi deposits.

- The company has opened an account with HDFC Bank on 02/11/2019 in which a sum of Rs. 3.00 crores was transferred on the same date and another Rs. 3.00 crores was transferred on 06/02/2020. This money was transferred by making a pre mature withdrawal of fixed deposit from Axis Bank. This entire money of Rs. 6.00 crores was kept in the saving account till the end of financial year & even after that. The company had earned interest of Rs. 6.78 lacs on this saving account. If the company had not withdrawn the same from fixed deposits, it could have earned an interest (approx) of Rs. 14.50 lacs. By not managing funds effectively the company has incurred an estimated loss of Rs. 7.72 lacs till the end of the reporting year.

## Explanation-

It is submitted that the Company has not incurred any loss and the amount of loss mentioned in the Auditor's Report is ambiguous as no calculation submitted in favor of it by the Auditor.

New bank account with HDFC Bank was opened to explore possibilities with other banks. The Purpose of account is to make regular payment from this account, but due to technical Problem in Linking Dual account in PFMS, payment could not be done from this account. The amount in saving bank account was kept to the extent of normal

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liquidity position of the Company as briefed in above and no loss has been incurred by us.

7. The company has no system of holding Audit Committee meetings on a regular basis. CAG's observations and the response submitted to CAG were not presented to the Audit Committee for their perusal & comments. This is violation of sec 177 of the Companies Act.

### **Explanation-**

The Company has conducted 5 meetings of Audit Committee till date. Respective dates of the meetings are as – 14<sup>th</sup> December, 2018; 24<sup>th</sup> September, 2019; 24<sup>th</sup> December, 2020 ; 5<sup>th</sup> March, 2021 and 30<sup>th</sup> June, 2021.

There is no provision in Section 177 of the Companies Act, 2013 that CAG's observations and the response submitted to CAG are required to present to the Audit Committee for their perusal & comments.

8. The Operational & Maintenance expenses of biometanation plant include expenses of Rs. 3.83 lacs pertaining to the period December 2018 to March 2019. Since this is prior period expenditure hence the same will be disallowed under the Income Tax Act for which no provision of tax has been made by the Company.

### **Explanation-**

Contractor submitted invoices for Period Dec 2018 to March 2019 in the Financial Year 19-20. Expenses recognized in the books of accounts accordingly. Since invoice was raised in FY 2019-20 and corresponding grant revenue was also recognized in FY 2019-20, hence, there will not be any disallowance in the Income Tax Act. Accordingly, no provision was required.

9. As on 31 March 2020, the company has accounted GST input tax receivable amounting Rs. 1.06 crores in the Financial Statements. The Company has not claimed input tax credit as it has no outward taxable supplies. In our opinion, the same should be added to

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respective project /administrative cost and hence it should not appear as GST input tax receivable. It is also observed that there is no system of reconciling the accounting entries in relation to GST as appearing in the books of accounts with the figures appearing in GSTR 2A/ GSTR 3B on the GST portal.

## **Explanation-**

- 1) The amount shown in GST input tax receivable is related to Administrative and Office Expenses and not related to Project cost therefore, it can't be added back to project cost.
- 2) Amount shown in books of accounts as at year end March 20 is duly reconciled with 3B filed for March 2020.

GST input tax credit is taken for only eligible items. It is taken for GST output on services/other income being recognised by the Company and any unutilized GST input is reversed as per the rules.

10. "As per proviso to Notification No. 50/2018-CT dated 13-9-2018, inserted on 5-11-2018, effective from 1-10-2018, provisions of TDS under GST do not apply when supply of goods or services or both are made by one PSU (Public Sector Undertaking) to another PSU. Also, TDS provisions do not apply on transactions between Local Authorities / Government Agency / Central / State Government Department / Notified person.

The company has deducted GST TDS on amount paid to MPCON Limited (Union Government Company) and Ujjain Development Authority, which was not required as per CGST Act.

## **Explanation-**

GST TDS from the PSU has been discontinued.

11. The company has not complied with the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). It is observed that the company has made payments of Rs.4,67,96,578 to the suppliers beyond the appointed day (as defined u/s 2 of the Act) during the year but has not made any provision for interest as required



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u/s section 16 of MSMED Act. It is further observed that the Company has not made correct disclosure in note no. 12 of the financial statements in this respect.

Explanation- Since the amount mentioned in the Auditors Report has not been clarified by the Statutory Auditor, therefore, we are unable to comment. However, the Company has made payment as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

12. The company's income tax return for the A.Y. 2018-19 was processed on 27/02/2020 and intimation u/s 143(1) was issued by the Income Tax Department. It is observed that the company has received short refund of Rs. 64.08 lacs. The company could not ascertain the reason of getting refund of lesser amount in order to attempt to claim the balance amount. The communication made in this respect is inadequate & have not been made at the proper forum to claim the substantial amount of pending refund.

Explanation-

It is submitted that the Company has received refund INR 1,35,47,730/- out of claim of INR 1,88,94,659/ and only 64.08 Lacs is pending to be received. Company has been claiming the refund and even filled Grievances with Income Tax. It is submitted that the efforts of Company are adequate. Details related to filling of returns and response of IT department is as follows:

	Return for AY 2018-19	Date
1	Original return filed by USCL	31.10.2018
2	Revised return filed by USCL	21.01.2019
3	Notice u/s 139(9) received from IT department	24.05.2019
4	Reply submitted by USCL	07.06.2019
5	Return considered earlier as defective now taken up for processing by IT Dept	12.12.2019

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6	ITR processing completed by IT Dept (with interest)	27.02.2020
7	Refund has been paid to USCL	10.06.2020
8	Rectification submitted by USCL	29.06.202
9	Additional Refund initiated by IT Dept	27.08.2020
10	Another rectification submitted by USCL	14.10.2020
11	Again, received intimation from IT Dept with same error	30.10.2020

13. The Company has signed a Memorandum of Understanding with HDFC Bank for Assistance in installation of Smart Cards for tracking and smooth functioning of cleaning vehicles. No disclosure in relation to the same has been made in the Financial Statements, Also, the status of this project is not known, as no documentation of the project was made available by the Company for our perusal & verification.

## Explanation-

It is a tripartite MoU signed between UMC, USCL and HDFC wherein HDFC bank has consented to offer its services to UMC and USCL without creating any direct financial obligation on USCL/UMC. It is a service MoU and there are no financial implications on Ujjain Smart City Limited. Smart Name Plate work is being done by the HDFC on behalf of UMC. The mentioned Memorandum of Understanding does not have any financial impact on Ujjain Smart City Limited and therefore not required to be disclosed in the Financial Statement.

14. The company has purchased an Acrylic Board on 7th January, 2020 amounting to Rs. 0.24 lacs which is affixed & displayed in the Company's CEO's room. As per IndAS 16, 'Property, Plant & Equipment', this purchase should have been capitalized in the financial statements. However the same is transferred to Profit & Loss account resulting

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into under-reporting of assets by Rs. 0.24 lacs and over-reporting of expenses by the same amount.

## Explanation-

The item is recognised in the Statement as per the requirement of INDAS. Acrylic Board contains static images of USCL projects and is for the purpose of Branding and promotion of projects of Ujjain Smart City. Para 7 of INDAS -16 states that the cost of an item of property, plant and equipment shall be recognised as an asset if, and only if: (a) it is probable that future economic benefits associated with the item will flow to the entity; and (b) the cost of the item can be measured reliably. Expense is in nature of branding and no future economic benefit will flow to the Company from this expenditure and hence, the expenditure on Acrylic Board does not fulfil the capitalization criteria.

It is submitted that accounting treatment done is in line with requirement of accounting standard and there is no under-statement of asset and no over statement of expenses.

15. The company has incurred Website Development Expenses amounting to Rs. 3.99 lacs which should have been capitalized in the financial statements as per Appendix A of IND AS 38, Intangible Assets. However, the same is transferred to Profit & Loss account resulting in under-reporting of assets by Rs. 3.99 lacs and over-reporting of expenses by the same amount.

## Explanation-

Accounting has been done as per requirement of Paras of INR AS 38 and relevant disclosure is provided in this regard in the notes to accounts.

Reference: -IND AS 38-Appendix A – INTANGIBLE ASSETS-Web Site Cost -“A web site arising from development shall be recognised as an intangible asset if, and only if, in addition to complying with the general requirements described in paragraph 21 of Ind AS 38 for recognition and initial measurement, an entity can satisfy the requirements in paragraph 57 of Ind AS 38. In particular, an entity may be able to satisfy the requirement to demonstrate how its web site will generate probable future economic benefits in accordance with paragraph 57 (d) of Ind AS 38 when, for example, the web site is capable of generating revenues, including direct revenues from enabling orders to be placed. An entity is not able to demonstrate how a web site developed solely or primarily

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for promoting and advertising its own products and services will generate probable future economic benefits, and consequently all expenditure on developing such a web site shall be recognised as an expense when incurred.

We do not have any product or services to sale or promote. Therefore, Ujjain Smart City Limited is not able to demonstrate how our website will generate probable future economic benefits in accordance to the requirement of INDAS-38. Website is only providing information about the Company, projects or work of the Company, events and tenders or EoI floated etc. and hence, not fulfilling criteria of capitalization.

Considering the requirement of INDAS-38, the expenditure has been recognised in Profit & Loss account. The relevant disclosure is done in the Notes to Accounts.

16. An amount of Rs. 2.92 crores (Rs. 0.54 crores for 2018-19 and Rs. 2.38 crores for 2019-20) is recognized under Current Assets – Other financial assets (Note-09) as TDS receivable from Income Tax Department. Above Income Tax was deducted by the bank on interest income accrued to the Company on fixed deposits and remitted to Income Tax Department. The management has claimed refund of the same, but the claim of Rs 0.54 crore is still not accepted by the Income Tax Department. Further the Company has not appropriately disclosed the above fact in its Notes to Accounts forming part of Financial Statements.

#### **Explanation-**

Relevant disclosures have been done in the notes forming part of accounts. Assessment of FY 2018-19 was under process as on March 31, 2020.

17. On verification of fuel bills for the vehicle no. MP 13 CB 4636 used by then CEO it is observed that the diesel was filled in the same vehicle for more than once in the same day which appears to be abnormal & far from the reasonableness & reality. The details of such incidences are as below:

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Name of petrol pump	Invoice no. & date	Remarks	
Govindram Hanuman Prasad, Ujjain	34/9 - 31/07/2019	<b>Date of purchase</b>	<b>Quantity (in liters)</b>
		01/07/2019	10.00
		01/07/2019	10.00
		07/07/2019	20.00
		07/07/2019	20.00
		16/07/2019	49.00
		16/07/2019	10.00
		19/07/2019	50.00
		19/07/2019	10.00
		23/07/2019	51.00
		23/07/2019	10.00
		Total diesel purchased for this vehicle in the month of July, 2019 was 427.00 liters.	
		Govindram Hanuman Prasad, Ujjain	34/12 - 31/08/2019
18/08/2019	30.00		
18/08/2019	10.00		
29/08/2019	45.00		
29/08/2019	10.00		
Total diesel purchased for this vehicle in the month of August, 2019 was 484.00 liters.			
Govindram Hanuman Prasad, Ujjain	34/7 - 30/06/2019	<b>Date of purchase</b>	<b>Quantity (in liters)</b>
		09/06/2019	38.00
		09/06/2019	10.00
		14/06/2019	44.00
		14/06/2019	10.00
		21/06/2019	52.00
		21/06/2019	10.00
		26/06/2019	39.00



# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

			<table><tr><td>26/06/2019</td><td>10.00</td></tr><tr><td>29/06/2019</td><td>44.00</td></tr><tr><td>29/06/2019</td><td>10.00</td></tr></table> <p>Total diesel purchased for this vehicle in the month of June, 2019 was 456.00 liters.</p>	26/06/2019	10.00	29/06/2019	44.00	29/06/2019	10.00														
26/06/2019	10.00																						
29/06/2019	44.00																						
29/06/2019	10.00																						
Govindram Hanuman Prasad, Ujjain	3475 31/05/2019	—	<table><tr><th>Date of purchase</th><th>Quantity(in liters)</th></tr><tr><td>20/05/2019</td><td>41.00</td></tr><tr><td>20/05/2019</td><td>10.00</td></tr><tr><td>25/05/2019</td><td>48.00</td></tr><tr><td>25/05/2019</td><td>05.00</td></tr><tr><td>28/05/2019</td><td>53.00</td></tr><tr><td>28/05/2019</td><td>10.00</td></tr></table> <p>Total diesel purchased for this vehicle in the month of May, 2019 was 514.00 liters.</p>	Date of purchase	Quantity(in liters)	20/05/2019	41.00	20/05/2019	10.00	25/05/2019	48.00	25/05/2019	05.00	28/05/2019	53.00	28/05/2019	10.00						
Date of purchase	Quantity(in liters)																						
20/05/2019	41.00																						
20/05/2019	10.00																						
25/05/2019	48.00																						
25/05/2019	05.00																						
28/05/2019	53.00																						
28/05/2019	10.00																						
Govindram Hanuman Prasad, Ujjain	347 30/04/2019	—	<table><tr><th>Date of purchase</th><th>Quantity(in liters)</th></tr><tr><td>09/04/2019</td><td>44.00</td></tr><tr><td>09/04/2019</td><td>10.00</td></tr><tr><td>19/04/2019</td><td>10.00</td></tr><tr><td>19/04/2019</td><td>10.00</td></tr><tr><td>22/04/2019</td><td>5.00</td></tr><tr><td>22/04/2019</td><td>43.00</td></tr><tr><td>23/04/2019</td><td>60.00*</td></tr><tr><td>30/04/2019</td><td>51.00</td></tr><tr><td>30/04/2019</td><td>5.00</td></tr></table> <p>Total diesel purchased for this vehicle in the month of April, 2019 was 531.00 liters.</p> <p><u><i>*48 liters of diesel was purchased on 22/04/2019 and on the next day 60 liters was again purchased, whereas the tank capacity of Innova is 50 liters only.</i></u></p>	Date of purchase	Quantity(in liters)	09/04/2019	44.00	09/04/2019	10.00	19/04/2019	10.00	19/04/2019	10.00	22/04/2019	5.00	22/04/2019	43.00	23/04/2019	60.00*	30/04/2019	51.00	30/04/2019	5.00
Date of purchase	Quantity(in liters)																						
09/04/2019	44.00																						
09/04/2019	10.00																						
19/04/2019	10.00																						
19/04/2019	10.00																						
22/04/2019	5.00																						
22/04/2019	43.00																						
23/04/2019	60.00*																						
30/04/2019	51.00																						
30/04/2019	5.00																						

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During these five months the total quantity of diesel purchased is as below:-

Month	Quantity in Liters
April	531.00
May	514.00
June	456.00
July	427.00
August	484.00

Presuming the mileage of 12 km/ltr the vehicle running works out to be 6372 kms, 6168 kms, 5472 kms, 5124 kms, 5808 kms respectively for these months which means running of 212 kms, 206 kms, 182 kms, 170 kms, 194 kms per day which appears to be very high.

In the F.Y. 2019-20 the Company was served by two different CEOs. One CEO had served the Company in the period April 19 to August 19 & another CEO for the period September 19 to March 20.

The comparative expenditure on vehicle running and maintenance (CEO) in the period April to August and September to March 2020 is as below:

Month	Amount (Rs. in lacs)
April	0.37
May	0.35
June	0.30
July	0.31
August	0.38
<b>Total</b>	<b>1.70</b>

Month	Amount (Rs. in lacs)
Sept.	0.09
October	0.05
November	0.07
December	0.15
January	0.16
Feb	0.16
March	0.18
<b>Total</b>	<b>0.87</b>

From the above it may be observed that expenditure in the first 5 months was double as compared to expenditure in next 7 months.

In the light of this the genuineness of bills of petrol dealer Govindram Hanuman Prasad and filling of diesel in the same vehicle for more than once in the same day may further be examined.

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## Explanation-

Erstwhile CEO was allotted Scorpio Vehicle. Since, he was holding multiple positions as per the directions of the State Authorities/District Administration in addition to CEO Ujjain Smart City Limited; therefore, it is unreasonable to assess use of vehicle and fuel during his tenure.

18. On verification of ledger of Misc office expenses (Printing & Stationery) it is observed that a sum of Rs. 0.85 lacs was paid to Bansal News. It is claimed that this expenditure pertains for preparation of a short video film. Competitive quotations were called from three parties namely Bansal News, News Prabha and Khushi Arts & Advertising for preparing this video. On verification it was observed that, all these quotations were prepared by the same person, other details are as below:

- In all the three quotations, date is written in the same handwriting. Even the handwriting, in respect of date, is same in the note sheet of the Company as that is in all the three quotations which means that the same were probably prepared by the Company itself.
- The quotation of Khushi Art & Advertising is made on computer generated letter head
- The quotations of News Prabha and Khushi Art & Advertising are identical in terms of language, font style and presentation.
- The PAN number and GST number are not mentioned in any of the quotation.
- Address is not mentioned on the quotation given by News Prabha.
- Contact no. is not mentioned in the quotation given by Khushi Arts & Advertising.

These quotations lack independence, and it appears that these have been made by the same person. These agencies are local news agencies rather than film making agencies. Thus the quotations taken does not appear to be genuine. Even the short video film is not available with the company as probably the same was not delivered by the vendor. Last meeting for discussion of audit observations was held with the Company on February 18<sup>th</sup>, 2021, however on that day too the Company could not produce the video & instead shown a wrong & old video to us. In view of the above an investigation should be carried out to ascertain the genuineness of the transaction and vendor selection process of the company.

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## Explanation-

As per government purchase rules, quotations are invited for purchase of more than INR 20,000/- up-to 1,00,000/-. For the reported procurement due procedure was followed by the Company. Quotation was invited and as compliance to internal procedure, evaluation was done. It is submitted that due diligence is ensured by the Company. Video prepared was shown to the Auditor during the Audit Committee meeting held on March 5, 2021, in the presence of all committee members.

19. The Company is head quarter at Ujjain and the meeting of Directors & Shareholders are held at the registered office of the Company at Ujjain. The Board of Directors of the Company comprises of Directors who are residing at New Delhi, Ghaziabad, Bhopal & Indore.

It is observed that for convening of Board & shareholders meeting the Company have a practice to issue a very short notice just making impossible for all the Directors to attend the meeting. A few instances of the meeting held at such short notices are as below:

Particulars of meeting	Date & time of issuing the notice	Date & time of meeting
Board of Directors	08.03.2021 @ 3.42 pm	09.03.2021 @4.30pm
Audit Committee	04.03.2021 @ 15.42 pm.	05.03.2021 @2.00pm
Adjourned 3 <sup>rd</sup> AGM	19.01.2021 @ 12.37 pm	19.01.2021 @5.30pm
4 <sup>th</sup> AGM	31.12.2021 @ 12.00	31.12.2021@3.00pm

Thus the Directors who are not residing at Ujjain do not get the reasonable time & opportunity to attend the Company's meetings. Even at times it is practically impossible to attend the meeting virtually through video conferencing on such a short notice.. Eventually this has lead to key decisions being taken by a few members of the Board rather than having a broad based approach. This is not in accordance with the article 14.1 (ii) of the Article of Association (AOA) of the Company.

Similarly the article 15.6 of AOA mandates that "Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, in the manner provided in Sec 101 of the Act". But except the notices

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of AGM & Audit Committee meetings, no notices/information were given to us which is not in line with the provisions of Article of Association of the Company.

On March 9<sup>th</sup>, 2021, the meeting of Board of Directors was organized to approve the financial statements for the F.Y. 2019-20 of the Company & to discuss auditors report thereon. However, no notice of this meeting was given to us thus preventing us from discussing the important audit findings with the Chairman & other members of the Board.

## **Explanation-**

Company has option to conduct meeting of Board of Directors and Shareholders Meeting through Electronic Mode wherein Directors and Shareholders have option to join their respective meeting through electronic mode irrespective of their place of location i.e. Head Quarter or out of HQ of the Company. If any Director is unable to come to the registered office for meeting, they can attend meeting through Electronic Mode.

Many of the Directors have attended Meeting of Board of Director using Electronic Mode during multiple meeting.

As per the Article of Association of the Company, article 15.6 comes under the Head of General Meeting and this states that article 15.6 is related to general meeting only, and we have given all notices regarding General meetings to Auditors.

Statutory Auditor had attended all the meetings of the Audit Committee and was also given ample opportunity to discuss audit matters in the meeting of Audit Committee.

20. The Company's accounts for the reporting period were approved by the Board of Directors of the Company on March 9<sup>th</sup>, 2021. However the Company had filed its return of income for this period on January 8<sup>th</sup>, 2021 vide ack no. 141443191080121 on the basis of unaudited accounts which is factually incorrect & is not in line with the provisions of the Income Tax Act.



## Explanation-

Audited Financial Statements are required to be filed along with Tax Audit Report as per requirement of section 44AB of the Income Tax Act 1961 for businesses having turnover more than INR 2 Crore. However, USCL does not fall under the ambit of section 44AB of the Income Tax Act 1961 and therefore, filing of Income Tax Return is not against relevant section of the Income Tax Act.

## Annexure-A

(xiii) The related party transactions were in compliance with the sections 177 and 188 of the Companies Act, 2013. However the disclosures as mandated by the applicable Indian Accounting Standards and Companies Act have not been properly dealt with in the financial statements

**Explanation-** There is no non-compliance of any of the relevant sections of the Companies Act and Indian Accounting Standard.

## Annexure-B

### ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 under "Report on Other Legal and Regulatory requirements", section of our report of even date to the members of UJJAIN SMART CITY LIMITED on the Financial Statement for the year ended March 31, 2020.

S.no	Directions u/s 143(5) of the companies Act, 2013	Auditor's reply on action taken on the directions	Impact on Financial Statements	Management Response
1	Whether the Company has clear title/lease deeds for freehold and leasehold	The Company does not hold any title/lease deeds for freehold and leasehold land as on 31 <sup>st</sup> March, 2020.	Nil	NA

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	land respectively? If not, please state the area of the freehold and leasehold land for which title/lease deeds are not available.			
2	Whether there are any cases of waiver/write off of debts/loans/inter st etc., if yes, the reasons thereof and the amount involved.	<p>1.The Company and Ujjain Municipal Corporation had signed a Memorandum of Understanding for development of Swimming pool project, wherein it was agreed that the Ujjain Municipal Corporation (UMC) will contribute a sum of Rs. 5.00 crores towards Phase-I of the swimming pool. Ujjain Municipal Corporation requested the company to contribute their share in the project which was to be reimbursed subsequently by them. However in the board meeting held on October 22, 2020 it was decided to annul the share of the Ujjain Municipal Corporation of Rs. 5.62 crores.</p> <p>It has also been decided in the Board meeting that the UMC will not contribute</p>	<p>1. The current assets as at 31.03.2020 will be unrealizable to the extent of annul amount of Rs.5.62 crores.</p> <p>The decision to annul the share of the Ujjain Municipal Corporation of Rs. 5.62 crores. has adversely impacted the resources of the company and now the company has to deploy additional resources. This decision is also not in line with the Smart City</p>	<p>1. This Para of Section 143(5) of the Companies Act is Not Applicable as Ujjain Smart City Limited has not given any debt or loan to any party.</p> <p>Therefore, no question arises of waiver/written off any debt/loans/interest as on balance sheet.</p> <p>None of the transactions mentioned in the Auditor's Report is debt/loan/interest.</p>

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	<p>Rs.10.00 crores for Swimming Pool Phase II which was agreed in the MOU. Hence now the Company will complete the Phase II of the project from its own resources.</p> <p>It is pertinent to note that the swimming pool project was started on the basis of equal contribution by both the parties. Eventually it was decided that the company will bear the burden of entire cost. It is also important to note that the Commissioner of Ujjain Municipal Corporation is also the Executive Director of the Company. It is observed that the required disclosures were not made in terms of provision of The Companies Act, 2013 (including all amendments re-enactments thereto) read with the rules framed there under and the Secretarial Standard 1 i.e. Secretarial Standard on board meetings issued by The Institute of Companies Secretaries of India.</p> <p>2. Directorate, Urban Administration &amp; Development, M.P ,Bhopal</p>	<p>Mission guidelines given on 'Financing of Smart Cities'. Further the Company has to bring in additional sources for completing Phase II of swimming pool project.</p> <p>2. The Company should have shown Rs.50.00 crores as</p>	
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	<p>vide their letter number 2144/SC/UAD/2017 dated 21/12/2017 instructed the Company to transfer Rs. 50 crores to Bhopal Smart City Limited out of grant received from State Government.</p> <p>Accordingly, the Company transferred Rs. 50 crores, out of State Government share of the grant to Bhopal Smart City Limited and the Company has deducted the same from the grant received.</p> <p>However, as per Smart City Mission guidelines, grant available with one Smart City Company cannot be transferred to another Smart City Company.</p> <p>It appears that the object of the State Government was to provide temporary funds to Bhopal Smart City Limited. The company is demanding this sum from the State Authorities and have sent six reminders for the same. Therefore, in our view, instead of reducing the amount from the grant received, sum of Rs. 50.00 crores should have been</p>	<p>receivable. But it has deducted entire amount from the grant. This has resulted into understatement of assets by Rs.50.00 crores.</p>	
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		shown as amount receivable under Current Assets from Bhopal Smart City Limited.		
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?	<p>Proper records are not maintained for the inventories/assets lying with third parties. Physical verification of inventory/assets is not being done at regular intervals.</p> <p>The company has not received any assets as gift from Government.</p>	Nil	<ul style="list-style-type: none"> <li>Para ii of Annexure-A to the Independent Auditor's Report stated that, The Company does not have any inventory during the year"</li> <li>The Company's business does not involve inventories. Therefore, no inventory is lying with any party.</li> </ul>
4	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.	The company has proper system in place to process all the accounting transactions through IT system.	Nil	N A



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5	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	The funds received from Center and states are used for the development of Ujjain city. The Board takes decisions for funds to be used for each project undertaken by the company.	<p>1 Other Expenses include Corona Center Expenses of Rs. 66,457/- incurred during the month of March, 2020. These expenses are not in line with the objects laid down in Smart City guidelines. The same were incurred on the directions given by MPUDC.</p> <p>2. O&amp;M Expenditure of the projects, assets of which are transferred to other parties, are still being incurred by the company.</p>	<p>1. Funds are properly utilized and accounted for.</p> <p>Smart City Mission Ministry of Housing and Urban Affairs, Government of India provides guidance on regular basis regarding the activities/tasks to be taken up by the Smart Cities.</p> <p>2. Cost is incurred by the Company as per the terms of Project Contract agreement. As on balance sheet date i.e. March 31, 2020, none of the project assets has been transferred to other parties.</p>
6	Whether the expenditure of the common projects undertaken by Municipal Corporation and Smart City Company	<p>1. Our observations as per point no. 2 supra.</p> <p>2. As per MOU executed between the Company &amp; Ujjain Municipal Corporation, the Corporation was to contribute a sum of Rs. 10.00</p>	Comments as per point no. 2 supra.	<p>1. Our Submission is as per point no. 2 supra.</p> <p>2. Company has been able to manage funding from Smart City Mission Funds for annulled contribution for Project Swimming</p>

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	<p>combinedly has been rationally distributed among them ?</p>	<p>crores for the phase II of the Swimming Pool project. The work on the project has started. But subsequently in the Board Meeting held on Oct.22, 2020 it was decided that the Municipal Corporation will not contribute any funds &amp; the Company has to complete the project from its own resources.</p> <p>3. The company is executing following three projects which are implemented by Ujjain Municipal Corporation and are also partly funded by the company:-</p> <ul style="list-style-type: none"> <li>• Construction of sewerage network in ABD area of Ujjain under 'AMRUT'.</li> <li>• 24x7 water supply in ABD area.</li> <li>• MRIDA – Relocation under PMAY.</li> </ul> <p>Out of the above it is observed that, in respect to MRIDA – Relocation under PMAY, during the F.Y. 2019-20, a sum of Rs. 2.89</p>		<p>Pool Phase I and Swimming Pool &amp; Sports Complex Phase II.</p> <p>3. Matter of project MRIDA-relocation under PMAY and transfer of associated cost was approved in the 10<sup>th</sup> meeting of Board of Directors held on July 26, 2018. Accordingly, fund was transferred to UMC.</p> <p>However, UMC could not commence work for various reasons.</p> <p>Since, Ujjain Municipal Corporation is an Urban Local Body and is committed to execute the work and therefore, there is no possibility of any loss of funds.</p>
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		crores was transferred to Ujjain Municipal Corporation. This is despite the fact the project work was not started by Ujjain Municipal Corporation. The transfer of funds from company to Ujjain Municipal Corporation should have been based on the progress of the project and based on the utilization certificate issued by Ujjain Municipal Corporation		
7	Whether system for monitoring the execution of work vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenue/losses from contracts etc, have been properly accounted for in the books.	<p>Yes the system for monitoring the execution of work vis-à-vis the milestones stipulated in the agreement is in existence but the impact of cost escalation, if any, revenue/losses from contracts etc, have not been properly accounted for in the books.</p> <p>Out of 24 projects being undertaken by the Company, the cost escalation estimate has been done for only 3 projects. It is observed that the original estimate of these 24 projects is Rs 786.51 Crore and cost escalation of just Rs 4.61 Crore has been estimated by the Company which is not in line with requirement of INDAS</p>	<p>Cost escalation has not been disclosed in the financial statements.</p> <p>The impact of cost escalation has not been properly ascertained and adequate resources have not been planned which may hamper Company's project in future.</p>	<p>Project Cost is duly accounted and reported in the Financial Statement as &amp; when incurred.</p> <p>There is system exists for monitoring the execution of project work vis-à-vis the milestone stipulated which is based on project progress, extra items, extra work etc.</p> <p>Any revision in cost is duly analysed and approved by the Management. Board of Directors is apprised of any such revisions in project cost.</p>

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8	Whether the bank guarantees have been revalidated in time ?	Yes	Nil	NA																														
9	Whether balances of trade receivables, trade payables, term deposits, bank accounts and cash at year end is confirmed ?	Yes. But third-party confirmations are not obtained from parties in respect of mobilization advances given and retention money held of different parties.	Confirmation of balances increases the authenticity of the figures reported.	Balance confirmation for Mobilization Advance and retention moneys held has been obtained for reporting period.																														
10	Whether matching contribution from the state government and Central Government has been received as per prescribed schedule in the mission statement. If not, reason and description of it may be detailed.	<p>No.</p> <p>The Company has not received matching contribution from the Central Government and the State Government as per prescribed schedule in the mission statement.</p> <p>As per the information given by the Company the Company has received grants as per following details :</p> <p><b><u>From Central Government:</u></b></p> <p style="text-align: right;"><b><u>INR Crore</u></b></p> <table><tr><th>S.No</th><th>Grant Received</th><th>Amount</th></tr><tr><td>1</td><td>Govt of India</td><td>196 Cr</td></tr><tr><td>2</td><td>Govt of MP</td><td>196 Cr</td></tr><tr><td>3</td><td>Transferred back to GoMP</td><td>(50) Cr</td></tr><tr><td>4</td><td>Net</td><td>146 Cr</td></tr></table>	S.No	Grant Received	Amount	1	Govt of India	196 Cr	2	Govt of MP	196 Cr	3	Transferred back to GoMP	(50) Cr	4	Net	146 Cr	<p>The Company should have shown Rs.50.00 crores as receivable. But it has deducted entire amount from the grant. This has resulted into understatement of assets by Rs.50.00 crores.</p>	<p>As on March 31, 2020, the Company has received grants as per following details :</p> <p><b><u>From Central Government:</u></b></p> <p style="text-align: right;"><b><u>INR Crore</u></b></p> <table><tr><th>S.No</th><th>Grant Received</th><th>Amount</th></tr><tr><td>1</td><td>Govt of India</td><td>196 Cr</td></tr><tr><td>2</td><td>Govt of MP</td><td>196 Cr</td></tr><tr><td>3</td><td>Transferred back to GoMP</td><td>(50) Cr</td></tr><tr><td>4</td><td>Net Received from GoMP</td><td>146 Cr</td></tr></table> <p>Matching contribution of INR 50 Cr was returned to the state as per the directions received from Directorate, Urban Administration &amp;</p>	S.No	Grant Received	Amount	1	Govt of India	196 Cr	2	Govt of MP	196 Cr	3	Transferred back to GoMP	(50) Cr	4	Net Received from GoMP	146 Cr
S.No	Grant Received	Amount																																
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1	Govt of India	196 Cr																																
2	Govt of MP	196 Cr																																
3	Transferred back to GoMP	(50) Cr																																
4	Net Received from GoMP	146 Cr																																

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		Received from GoMP		<p>Development MP, Bhopal, vide letter reference number 2144/SC/UAD/2017, dated 21/12/2017 and this amount has not been received back by Ujjain Smart City Limited.</p> <p>Explanation on Auditor's Remark: Since INR 50 Crore was taken aback by the State, this amount is accounted as per the INDAS and therefore, there is no understatement of asset.</p> <p>As per Para 7 of INDAS 20 Accounting for Government Grants and Disclosure of Government Assistance,</p> <p>"Government grants, including non-monetary grants at fair value, shall not be recognized until there is reasonable assurance that: (a) the entity will comply with the conditions attaching to them; and (b) the grants will be received.</p> <p>In Para 3 of Independent Auditor's Report- Emphasis on Matter and</p> <p>In para 2 of Annexure B to the Independent Auditor's Report, Auditor has given remarks that INR 50 Crore must be shown as receivable</p>
		Matching contribution of INR 50 Cr was returned to the state as per the directions received from Directorate, Urban Administration & Development MP, Bhopal, vide letter reference number 2144/SC/UAD/2017, dated 21/12/2017 and this amount has not been received back by Ujjain Smart City Limited.		



				<p>from Bhopal Smart City.</p> <p>However, in this Para 10, Auditor has given remark that the INR 50 Crore should have been shown as receivable from the State. Auditor has given contradictory report on same transaction in Auditor's Report.</p>
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## Annexure-C Internal Financial Controls

Statutory Auditor's Report on Internal control over financial reporting is general in nature. Internal Control in USCL is adequate and the Management attempts to improve to ensure better financial control.

1. The Memorandum of Understanding with Ujjain Municipal Corporation for the development and construction of swimming pool, is not executed on a Stamp Paper and also date of execution, the name and designation of signatories are not mentioned in the said Memorandum of Understanding.

### Explanation-

MoU was duly signed by the authorized signatories from UMC and USCL.

2. The company has acted in contravention of the Smart City Mission guidelines given on 'Financing of Smart Cities'. The Company has first entered in a MOU with Ujjain Municipal Corporation for the construction of Phase I & II of the swimming pool . Subsequently the company has waived a sum of Rs. 5.62 crores receivable from Ujjain Municipal Corporation (UMC) in respect of Swimming Pool Phase-I and has also waived contribution of Rs. 10.00 crores for Phase-II which was to be contributed by the UMC without passing a special resolution.

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The above decisions have adversely impacted the resources of the company and now the company has to deploy additional resources

As annulment of share for Phase-I has taken place subsequently, the profit sharing ratio, on operation of the swimming pool, which was decided earlier to be equal in the signed Memorandum of Understanding and other terms & conditions have also to be revised accordingly which has not been done by the company.

### **Explanation-**

Company has been able to manage funding from Smart City Mission Funds for annulled contribution for Project Swimming Pool Phase I and Swimming Pool & Sports Complex Phase II. The Board of Directors of Company are authorized to take all decisions about the Projects and funding arrangements.

Decision of providing part funding from Smart City Mission for Project Swimming Pool Phase I and Phase II was duly approved by the Board of Directors and the decision to annul the share of UMC for these projects was also duly approved by the Board of Directors. Board of Directors has also approved funding from Smart City Mission for annulled share. Addendum to Memorandum of Understanding has been executed between USCL and UMC.

3. There exists a system for monitoring of execution of project work vis-a-vis the milestones stipulated in the agreement. However, the details of impact of cost escalation are not provided to us hence we are unable to comment on the same. Also there is no plan in place to generate the funds/ or obtaining additional grant in respect to the increased cost. No disclosure in this respect is made in the financials of the company.

### **Explanation-**

There is a system exist for monitoring of execution of projects. Any revision in project cost is duly approved by the Management and Board of Directors are also apprised of all revisions in cost. Company has been able to manage funding from Smart City Mission Funds for its projects.

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4. Third party confirmations are not obtained from parties in respect of mobilization advances given and retention money held of different parties.

## Explanation-

Balance confirmation for Mobilization Advance and retention moneys held has been obtained for reporting period.

5. The company has not complied with the provisions of sec 177 of the Companies Act, 2013 relating to Audit Committee. It is observed that last meeting of the Audit Committee was held on Sept. 24, 2019 and no meeting was held thereafter till February 28<sup>th</sup>, 2021. The Audit Committee of the company appears to be defunct and following matters which were required to be considered by the committee were not presented before it :
- Review and monitor the internal auditor's independence and performance, and effectiveness of audit process;
  - Examination of the financial statement and the auditors' report thereon;
  - Approval or any subsequent modification of transactions of the company with related parties;
  - Granting of omnibus approval for related party transactions proposed to be entered into by the company.
  - Making recommendations to the board for the transactions not approved by it.
  - Ratification of transaction involving any amount not exceeding one crore rupees entered into by a director or officer of the company without obtaining the approval of the Audit Committee.
  - Calling for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board. The committee may also discuss any related issues with the internal and statutory auditors and the management of the company.
  - To investigate into any matter in relation to the items specified in sub-section (4) or referred to it by the Board and for this purpose shall have power to obtain professional

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advice from external sources and have full access to information contained in the records of the company.

It has been further provided that the Board's report under sub-section (3) of section 134 shall disclose the composition of an Audit Committee and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed in such report along with the reasons therefore.

However the company has not complied with the above

## **Explanation-**

The company has complied with all the provisions of sec 177 of the Companies Act, 2013 relating to Audit Committee. Two Meeting of Audit Committee of the company held on 24<sup>th</sup> December, 2020 and 05<sup>th</sup> March 2021 till the submission of Independent Auditor's Report for FY 2019-20.

As per the requirements of sub-section (3) of section 134 the composition of an Audit Committee was disclosed in the Board's report for FY 2017-18 and for FY 2018-2019. Board had accepted all recommendations of the Audit Committee and the same was disclosed in such report.

6. It is observed that the internal audit of the company is deficient on the following points:

- The internal auditor is taking part in all the managerial and financial decisions and signing on the note sheets of the company. Thus the internal auditor has become part of the management and has lost independence and distinctness from the management of the company. This is also against the Code of Ethics issued by the Institute of Chartered Accountants of India. The role of internal audit is to provide independent assurance that an organization's risk management, governance and internal control processes are operating effectively. There is lack of Independence and also no maker-checker control exists within Internal Audit framework of the Company.
- The internal audit report submitted is grossly inadequate in view of voluminous project work of considerable values.

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- The frequency of submission of Internal Audit Report is half yearly which is not desirable keeping in view the magnitude and the nature of transactions of the company.
- During the year only two unsigned draft reports were submitted. Final reports duly signed are yet to be received by the Company.
- The Internal Audit is not being performed based on the Auditing Standards issue by The Institute of Chartered Accountants of India.
- Internal audit is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system. Internal audit, therefore, provides assurance that there is transparency in reporting, as a part of good governance. However the above objectives are missing in the present system.
- The CAG vide their memo dated 02/05/2019 had also commented on the inadequate internal audit mechanism but no action appears to have been taken by the management of the company.

## Explanation-

Internal Audit Reports for Financial Year 2017-18 and 2018-19 have been presented to the Audit Committee and comments of committee members have been incorporated. Minutes of meeting of audit committee are noted by Board of Directors of USCL. Internal Auditor is doing day-to-day audit of financial transactions. This approach strengthens internal control mechanism. Internal Auditor provides independent comments and there is no lack of independence.

Internal audit covers overall project-based audit. Scope of audit is discussed with the Management and the audit Committee. Internal Audit Standard is recommendatory in nature.

7. The Board of Directors in its 3rd meeting held on 22/03/2017 has directed the company to prepare a disaster management plan for Ujjain city for contingencies that may occur in future having special focus on emergency rescue track. PDMC was informed for taking



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necessary corrective action in the matter and the Executive Director was authorized do all such acts deeds and things necessary in this regard.

During the scrutiny of records, it was observed that the company has not prepared any disaster management plan for Ujjain city having special focus of emergency rescue track till date. Further reasons for not preparing any disaster plan in non – compliance of above resolution was not found in records.

### **Explanation-**

In the 13<sup>th</sup> Meeting of Board of Directors held on 18<sup>th</sup> June 2019, Board took note in resolution No. 17 that for support in Disaster Management situations, the Integrated Command and Control Centre and Integrated Traffic Management System has been undertaken by the Company which provides VMS and Public address system across the City.

8. The company has entered into an arrangement for website design development with PK Online for Rs. 14.16 lacs. The vendor has produced a bill no. 0022/PK/USCL dated May 14, 2019. The payment of the aforesaid bill was made on 22/05/2019 after making certain deductions.

In this respect it is observed that though the selection of vendor was made through tendering process but the item wise cost was not deliberated . The cost of development of website at a price of Rs. 14.16 lakhs seems to be very high, with the given contents. Hence it is suggested that a suitable investigation should be carried out for accepting the cost of website at such a high price.

### **Explanation-**

It is submitted that the Contract was executed in Nov 2017 and the agency was appointed through competitive bidding process. Contract was awarded after technical qualification to L1 bidder as per the terms of RFP. The Scope of work was well defined in the ToR. Cost of website development included other related work defined in ToR and it was not for single item.

**As per terms of RFP-Website development work scope includes but not limited to Design & Development of Website, MIS and usage statistics, documentations, service**

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level conditions to maintain and manage website, deployment of appropriate team, website administrator, Operate and Maintain the Website etc.

Due procedures was followed during the evaluation and contract was awarded after due diligence.

9. It is observed that a deduction of Rs. 250/ month was made for 5 months towards allotment of vehicle and sum of Rs. 1250.00 was credited in the Vehicle Running and Maintenance (CEO account). But for the rest 7 months no such deduction on account of vehicle allocation was made. It is further observed that no such deduction is made for other vehicles allotted to other executives of the company. The management of the company is advised to recover the vehicle allocation cost in the appropriate cases for the entire year.

#### **Explanation-**

Chief Executive Officer is appointed by the State Government. Salary structure of government officials is defined by the Government authorities. Components of salary/salary structure remains as per the salary drawn by officers in their previous government department/company. Any addition or deduction in salary is done either as per salary drawn by them in previous department/company or new notification/circular/order of Govt in this regard.

USCL follows government rules while giving salaries to officials.

New CEO was appointed by MP State authorities in USCL in Aug 2019 and he was paid salary by USCL as per his last drawn salary from immediately preceding Government department. Deductions from previously drawn salary were limited to CPF, IT, PT and GIS. We followed the same structure of salary.

10. There have been instances of violation of Section 40A(3) of the Income Tax Act wherein cash payments were made to an entity in a single day for a amount exceeding Rs. 10,000.00. Details of such transactions are as below :

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Date	Nature of payment	Amount	Remark
29/08/2019	Misc. office expenses	15,440.00	
13/06/2019	Shakti Radio	15,500.00	Refrigerator purchased but competitive quotations not obtained.

## Explanation-

Cash Payments were done inadvertently, and compliance will be ensured in future.

As per the internal rules, quotations are required to be obtained for single purchase of more than INR 20,000/-

11. Physical verification of Inventory is not done at regular intervals for the following projects in which inventory is lying with the third parties :

- Digital Center
- Smart Class
- Swimming Pool Phase I
- ICC
- ITMS
- Bio-Methanation
- She Lounge

Further there is no system in place to deal with shortage & losses arising on account of theft & misappropriation.

## Explanation-

Company has set procedure for Physical verification of project movable assets and is done half yearly as per recommendation of Audit Committee. Physical verification was done in Sep-Oct 2019 for all the movable items was completed projects and Project wise report was submitted to the Statutory Auditor. In March 2020, due to nationwide

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COVID-19 lockdown, physical verification was done for following projects during the period March (before lockdown) -July 2020 (after unlock):

- 1) ICC
- 2) Digital Centre
- 3) Swimming Pool Phase I

However, Smart classrooms and she lounge were closed in June-July 2020. Project ITMS was under execution as on March 2020 and not completed till March 2021. There is no movable item procured for Project Bio-Methanation.

12. It is observed that there is poor monitoring of inventory and other assets lying at the Smart Classrooms as there are reports of frequent thefts taking place. Insurance company has declined the insurance claim owing to the poor management and control of inventories. It is observed that the company has not ensured proper safe guard of its assets and the monitoring system is not efficient to prevent possible cases of theft in future.

CAG vide its memo dated 04/05/2019 had raised serious concern on this issue but it appears that no remedial measures were taken by the company.

#### **Explanation-**

Regular meetings are being conducted with school authorities to avoid repetition of any such incidences. As an additional measures CCTV cameras are being installed in Schools for monitoring.

13. The fund management of the Company is weak. The funds remain idle in saving bank accounts instead of parking them for earning better returns. The Company could have carried out negotiations with the Banks in an attempt to earn higher rate of interest on fixed deposits.

#### **Explanation-**

Fund is kept in saving bank account to maintain liquidity considering high value transaction.

## 16. COST RECORD AND/OR COST AUDIT

The Company does not falls within the provisions of Section 148 of Company's Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, therefore no such records required to be maintained.

## 17. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with the provisions of applicable Secretarial Standards issued by Institute of Company Secretaries of India.

## 18. CORPORATE INSOLVENCY RESOLUTION

During the year under review there was no situation of corporate insolvency and valuable resources of the Company including capital, manpower, machinery and management are deployed in fair manner and for financial viable business. Hence, no need for Corporate Insolvency Resolution under the Insolvency and Bankruptcy Code, 2016.

## 19. FAILURE TO IMPLEMENT ANY CORPORATE ACTION

During the year under review there was no failure to implement any corporate action and the Corporate Action related to issuance and allotment of securities.

## 20. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9, as required under Section 92 of the Companies Act, 2013 is included in this report as "Annexure I."

## 21. VISHAKA COMMITTEE

Pursuant to requirement under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under, the Internal Complaint Committee of the Company was constituted. by Executive Director on 31.03.2018 as per resolution passed in the Board Meeting held on 16.03.2018.

S.N.	Name of Person	Category	Chairperson / Member
1	Ms. Anubhuti Sohani	CA, USCL	Presiding Officer
2	Ms. Tina Jain	Accounts Officer, USCL	Member
3	Mr. Shubhankar Kumar	Assistant Planner, USCL	Member

# UJJAIN SMART CITY LIMITED



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Further due to resignation of one of the member of the Committee Mr. Shubhankar Kumar , the reconstitution of Committee is required. Consequently, the Committee was re-constituted in with the following Members:-

S.N.	Name of Person	Category	Chairperson/ Member
1	Ms. Anubhuti Sohani	Internal Auditor, USCL	Presiding Officer
2	Ms. Tina Jain	Accounts Officer, USCL	Member
3	Mr. Palash Sharma	Assistant Engineer, USCL	Member

## 22. VOTING RIGHTS OF EMPLOYEES

During the year under review the company has not given loan to any employee for purchase of its own shares as per section 67 (3) (c) of Companies Act, 2013. Therefore the company not required to made disclosure as per rule 6 (4) of Companies (Share Capital and Debentures) Rules, 2014.

## 23. ACKNOWLEDGEMENT

Your Directors are also thankful to the Members of the Company for their faith and confidence in the Management of the Company.

**For & on behalf of Board of Directors of  
Ujjain Smart City Limited**

  
**ASHEESH SINGH**  
**CHAIRMAN**  
**DIN: 07636828**

  
**ANSHUL GUPTA**  
**EXECUTIVE DIRECTOR**  
**DIN:09346991**

**Place: Ujjain**  
**Date:**



# UJJAIN SMART CITY LIMITED



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Annexure-I

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31/03/2020**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U75100MP2016SGC041772
2.	Registration Date	02/11/2016
3.	Name of the Company	Ujjain Smart City Limited
4.	Category/Sub-category of the Company	Company limited by share/ State Government Company
5.	Address of the Registered office & contact details	Mela Karyalay, Behind Brahaspati Bhawan , Kothi Palace Road, Ujjain- 456010 IN Email Id: ujjainsmartcity@gmail.com Contact No. 07342525856
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
-	-	-	-

**III. PARTICULAR OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES- Company not having any holding/ Subsidiary/ Joint Venture/ Associate**

S. NO.	Name And Address Of The Company	CIN/GLN	Holding /Subsidiary / Associate	% OF SHARE HELD	APPLICABLE SECTION
1.	Madhya Pradesh Urban Development Company Limited Address: C/o Urban Administration & Development Department Palika Bhawan, 6 No. Bus Stop, Shivaji Nagar, Bhopal MP 462016 IN	U75110MP2015SGC034139	Holding	50	Section 2(87)(i) read with clause (b) of explanation

# UJJAIN SMART CITY LIMITED



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## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)-

### i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
<b>A. Promoter(s)</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	50	50	0.00	-	50	50	0.00	Nil
b) Central Govt	-				-				
c) State Govt (s)	-	99999990	99999990	50.00	-	99999990	99999990	50.00	Nil
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Local body)	-	99999960	99999960	50.00	-	99999960	99999960	50.00	Nil
<b>Sub- total (A) (1):-</b>	Nil	200000000	200000000	100	-	200000000	200000000	100	Nil
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (A) = (A) (1) + (A) (2)</b>	Nil	200000000	200000000	100	-	200000000	200000000	100	Nil
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

Email: [ujjain.smartcity@ujjain-smartcity.com](mailto:ujjain.smartcity@ujjain-smartcity.com)  
Contact: 0791-25200512

Main Bypass, Kotdi Paloo, Ujjain  
Madhya Pradesh, India, 466010

# UJJAIN SMART CITY LIMITED



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f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	Nil	200000000	200000000	100	-	200000000	200000000	100	Nil

\*Note: 50 shares held by Individuals are held in the capacity of State Government and Local body.

## ii) SHAREHOLDING OF PROMOTER –

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Shashank Misra*	10	0.00	-	10	0.00	-	
2	Ujjain Municipal	99999960	50.00		99999960	50.00		

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	Corporation							
3	Mr. Sanjay Mishra*	10	0.00	-	10	0.00	-	-
4	Mr. Abhishek Dubey*	10	0.00	-	-	-	-	-
	Mr. Sojan Singh Rawat	-	-	-	10	0.00	-	-
5	Mr. Awadhesh Sharma*	10	0.00	-	-	-	-	-
	Mr. Pradeep Jain	-	-	-	10	0.00	-	-
6	Madhya Pradesh Urban Development Co Limited	99999990	50.00	-	99999990	50.00	-	-
7	Mr. Neelesh Dubey*	10	0.00	-	10	0.00	-	-

\*Shares are held in the capacity of Nominee of Indore Municipal Corporation

\*\* Shares are held in the capacity of Nominee of Madhya Pradesh Urban Development Co. Limited

## iii) CHANGE IN PROMOTERS' SHAREHOLDING (please specify, if there is no change)

SN	Particulars	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
1.	Mr. Shashank Misra*				
	At the beginning of the year	10	0.00	10	0.00
	Transactions During the Year	-	-	-	-
	At the end of the year	10	0.00	10	0.00
2.	Ujjain Municipal Corporation				
	At the beginning of the year	99999960	50.00	99999960	50.00
	Transaction during the Year	-	-	-	-
	At the end of the year	99999960	50.00	99999960	50.00
3.	Mr. Sanjay Mishra*				
	At the beginning of the year	10	0.00	10	0.00
	Transactions During the Year	-	-	-	-
	At the end of the year	10	0.00	10	0.00
4.	Mr. Abhishek Dubey*				

Email: [ujjainsmartcity@gmail.com](mailto:ujjainsmartcity@gmail.com)  
Contact: 0794-27020919

Mela Karyabai, Kotli Palace, Ujjain  
Madhya Pradesh, India, 456010

# UJJAIN SMART CITY LIMITED



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	At the beginning of the year	10	0.00	10	0.00
*	Transferred on 06.09.2019	(10)	0.00	(10)	0.00
	At the end of the year	0.00	0.00	0.00	0.00
5.	Mr. Sojan Singh Rawat*				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Acquired through Transferred on 06.09.2019	(10)	0.00	(10)	0.00
	At the end of the year	10	0.00	10	0.00
6.	Mr. Awadhesh Sharma*				
	At the beginning of the year	10	0.00	10	0.00
	Transferred on 06.09.2019	(10)	0.00	(10)	0.00
	At the end of the year	0.00	0.00	0.00	0.00
7.	Mr. Pradeep Jain*				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Acquired through Transferred on 06.09.2019	(10)	0.00	(10)	0.00
	At the end of the year	10	0.00	10	0.00
8.	Madhya Pradesh Urban Development Co Limited				
	At the beginning of the year	99999990	50.00	99999990	50.00
	Transaction during the Year	-	-	-	-
	At the end of the year	99999990	50.00	99999990	50.00
9.	Mr. Neelesh Dubey**				
	At the beginning of the year	10	0.00	10	0.00
	Transactions During the Year	-	-	-	-
	At the end of the year	10	0.00	10	0.00

\*Shares are held in the Capacity of Nominee of Ujjain Municipal Corporation

\*\* Shares are held in the Capacity of Nominee of Madhya Pradesh Urban Development Co Limited.

## iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS: NA

(Other than Directors, Promoters and Holders of GDRs and ADRs):-

# UJJAIN SMART CITY LIMITED



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SN	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
2	Transactions During the Year	-	-	-	-
3	At the end of the year	-	-	-	-

## v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

SN	Particulars	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
1.	Mr. Shashank Misra				
	At the beginning of the year	10	0.00	10	0.00
	Transactions During the Year	-	-	-	-
	At the end of the year	10	0.00	10	0.00
2.	Mr. Sanjay Mishra				
	At the beginning of the year	10	0.00	10	0.00
	Transactions During the Year	-	-	-	-
	At the end of the year	10	0.00	10	0.00
3.	Mr. Abhishek Dubey				
	At the beginning of the year	10	0.00	10	0.00
	Transferred on 06.09.2019	(10)	0.00	(10)	0.00
	At the end of the year	0.00	0.00	0.00	0.00
4.	Mr. Sojan Singh Rawat				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Acquired through Transferred on 06.09.2019	(10)	0.00	(10)	0.00



# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

*	At the end of the year	10	0.00	10	0.00
5.	Mr. Awadhesh Sharma				
	At the beginning of the year	10	0.00	10	0.00
	Transferred on 06.09.2019	(10)	0.00	(10)	0.00
	At the end of the year	0.00	0.00	0.00	0.00
6.	Mr. Pradeep Jain				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Acquired through Transferred on 06.09.2019	(10)	0.00	(10)	0.00
*	At the end of the year	10	0.00	10	0.00
7.	Mr. Neelesh Dubey				
	At the beginning of the year	10	0.00	10	0.00
	Transactions During the Year	-	-	-	-
	At the end of the year	10	0.00	10	0.00

**Vi) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.- NIL

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

# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## IV. REMUNERATION OF DIRECTORS AND KEY MANAGERAL PERSONNEL-

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:-NIL

SN	Particulars of Remuneration	Directors		Total Amount
		-	-	
	Gross salary	-	-	-
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
6.	Total (A)	-	-	-
7.	Ceiling as per the Act	-	-	-

### B REMUNERATION TO OTHER DIRECTORS -

SN	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Kalidas Saraf	Mr. Srinivasa Narasingarao Pandurangi	
	Independent Directors			
	Fee for attending board committee meetings			
1.	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	Total (1)			

Email: [ujjainsmartcity@gmail.com](mailto:ujjainsmartcity@gmail.com)  
Contact: 0794-2520819

Mela Karyalay, Kothi Palace, Ujjain  
Madhya Pradesh, India, 456010

# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

	Other Non-Executive Directors	Nil	Nil	Nil
2.	Fee for attending board committee meetings	100000	60000	160000
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
3.	Total (2)	Nil	Nil	Nil
4.	Total (B)=(1+2)	100000	60000	160000
5.	Total Managerial Remuneration	Nil	Nil	Nil
6.	Overall Ceiling as per the Act	Nil	Nil	Nil

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

S N	Particulars of Remuneration	Key Managerial Personnel				
		CEO	CEO	CS	CFO	Total
		Awadhesh Sharma((Till Aug-2019)	Pradeep Jain	Manoj Maheshwari	Juvan Singh Tomer	(Amount in Rs.)
	Gross salary					
		Rs. 8,28,296	Rs 7,06,270	Rs. 7,85,169	Rs. 8,29,559	Rs.31,49,294
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil		Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil		Nil	Nil	Nil
2.	Stock Option	Nil		Nil	Nil	Nil
3.	Sweat Equity	Nil		Nil	Nil	Nil
4.	Commission	Nil		Nil	Nil	Nil
	- as % of profit	Nil		Nil	Nil	Nil
	others, specify	Nil		Nil	Nil	Nil

# UJJAIN SMART CITY LIMITED



CIN: U75100MP2016SGC041772

5.	Others, please specify	Nil		Nil	Nil	Nil
	Total	Rs8,28,296	7,06,270	Rs.7,85,169	Rs.829559	Rs.31,49,294

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:- NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For & on behalf of Board of Directors of  
Ujjain Smart City Limited

  
**ASHEESH SINGH**  
CHAIRMAN  
DIN: 07636828

  
**ANSHUL GUPTA**  
EXECUTIVE DIRECTOR  
DIN:09346991

Place: Ujjain  
Date: 15/02/2022

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF UJJAIN SMART CITY LIMITED FOR THE YEAR ENDED 31  
MARCH 2020**

The preparation of financial statements of Ujjain Smart City Limited, Ujjain for the year ended 31 March 2020 in accordance with financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on these financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 1 May, 2021.

I, on behalf of Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Ujjain Smart City Limited, Ujjain for the year ended 31 March 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matter 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. Comment on Financial Position**

**Balance Sheet**

**Liabilities**

**Other Non-Current Liabilities (Note. 11)- Rs. 36.22 crore**

1. The above shows deduction of Rs. 2.89 crore for Ujjain Municipal Corporation-Pradhan Mantri Awas Yojna (UMC-PMAY) for Mahakaal Rudrasagar Integrated Development Approach (MIRDA) from the Project Grant of Rs. 16.86 crore. As the Company had paid Rs. 2.89 crore for clearing the land parcel at Maharajbada-III for MIRDA Project instead of construction of PMAY houses, which is a separate project being implemented by UMC, the expenditure should have been booked in MIRDA Project under Capital Work in Progress. Non booking of the expenditure

in Capital Work in Progress has resulted in understatement of Capital Work in Progress and overstatement of Project Grant under Other Non-Current Liabilities by Rs. 2.89 Crore.

**Current Liabilities**

**Financial Liability**

**Total outstanding dues of creditors other than MSME (Note. 12) – Rs. 9.04 crore**

2. The above does not include an amount of Rs. 1.69 crore being expenses payable to M/s Tata Projects Ltd. for civil work of smart road for which the bill was received in February 2020, but not paid till 31 March 2020. Provision should have been created. Non creation of liability has resulted in understatement of 'Capital Work in Progress' and 'Financial Liabilities' by Rs. 1.69 crore.

**For and on the behalf of the**  
**COMPTROLLER AND AUDITOR GENERAL OF INDIA**



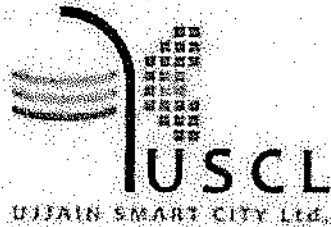
**(Bijit Kumar Mukherjee)**  
**Accountant General,**  
**Audit-II**  
**Madhya Pradesh, Bhopal**

**Place: Bhopal**

**Date: 28.04.2022**



# **UJJAIN SMART CITY LIMITED**



## **Audit Report**

### **FY-2019-2020**

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF UJJAIN SMART CITY LIMITED

#### Opinion

We have audited the accompanying financial statements of **UJJAIN SMART CITY LIMITED** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss, the Statement of Changes in Equity, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, 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 evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701 are not applicable to the Company as it is an unlisted company.

### **Emphasis of Matter**

Attention is invited to the following notes of Ind AS Financial Statements:

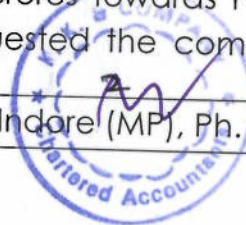
- (a) Without qualifying our opinion, we draw attention to note no. 11 to the financial statement relating to payment made to Ujjain Municipal Corporation.

The company is executing following three projects which are implemented by Ujjain Municipal Corporation and are also partly funded by the company:-

- Construction of sewerage network in ABD area of Ujjain under 'AMRUT'.
- 24x7 water supply in ABD area.
- MRIDA – Relocation under PMAY.

Out of the above it is observed that, in respect to MRIDA – Relocation under PMAY, during the F.Y. 2019-20, a sum of Rs. 2.89 crores was transferred to Ujjain Municipal Corporation. This is despite the fact the project work was not started by Ujjain Municipal Corporation. The transfer of funds from company to Ujjain Municipal Corporation should have been based on the progress of the project and based on the utilization certificate issued by Ujjain Municipal Corporation.

- (b) The Company and Ujjain Municipal Corporation signed a Memorandum of Understanding for development of Swimming pool project, wherein it was agreed that the Ujjain Municipal Corporation will contribute a sum of Rs. 5.00 crores towards Phase-I contribution. Ujjain Municipal Corporation requested the company to contribute





their share in the project which will be reimbursed subsequently by them. However in the board meeting held on October 22, 2020 it was decided to annul the share of the Ujjain Municipal Corporation of Rs. 5.62 crores.

It is pertinent to note that the swimming pool project was started on the basis of equal contribution by both the parties. Eventually it was decided that the company will bear the burden of entire cost. It is also important to note that the Commissioner of Ujjain Municipal Corporation is also the Executive Director of the Company. It is observed that the required disclosures were not made in terms of provisions of the Companies Act, 2013 (including all amendments re-enactments thereto) read with the rules framed there under and the Secretarial Standard 1 i.e. Secretarial Standard on board meetings issued by The Institute of Companies Secretaries of India.

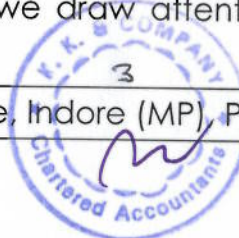
Further, from the perusal of the records of the company it is observed that the construction of swimming pool phase-II has also commenced. As per the Memorandum of Understanding, the Ujjain Municipal Corporation had to contribute Rs. 10 crores towards its share for Phase-II. Board of Directors in their meeting held on Oct.22, 2020 have decided that now Ujjain Municipal Corporation will not financially contribute for phase-II of the project.

The above two decisions have increased the financial burden of the Company & will adversely impact the resources of the Company . Now the Company has to deploy additional resources. The decision is also not in line with the Smart City Mission guidelines given on 'Financing of Smart Cities' which stipulates matching contribution.

As annulment of share for Phase-I has taken place subsequently, the profit sharing ratio , on operation of the swimming pool, which was decided earlier to be equal in the signed Memorandum of Understanding and other terms & conditions have also to be revised accordingly which has not been done by the Company.

(c) Without qualifying our opinion, we draw attention to the transfer to Bhopal Smart City Limited.

14, Scheme no. 53, Vijay Nagar Square, Indore (MP), Ph. No. 0731-2436510



Directorate, Urban Administration & Development, M.P., Bhopal vide their letter number 2144/SC/UAD/2017 dated 21/12/2017 instructed the Company to transfer Rs. 50 crores to Bhopal Smart City Limited out of grant received from State Government.

Accordingly, the Company transferred Rs. 50 crores, out of State Government share of the grant to Bhopal Smart City Limited and the Company has deducted the same from the grant received.

However, as per Smart City Mission guidelines, grant available with one Smart City Company cannot be transferred to another Smart City Company.

It appears that the object of the State Government was to provide temporary funds to Bhopal Smart City Limited. The Company is demanding this sum from the State Authorities and have sent six reminders for the same. Therefore in our view, instead of reducing the amount from the grant received, sum of Rs. 50.00 crores should have been shown as amount receivable under Current Assets from Bhopal Smart City Limited.

Our opinion is not modified in respect to the above matters.

#### **Other Matters**

1. Reference is drawn to the Para (viii) of page 03 of the Memorandum of Understanding executed between the Company and Ujjain Municipal Corporation for swimming pool project, which reads as under –

Contractor / developer will raise invoice on the Company for construction as well as for Operation & Maintenance expense for 5 years as per the terms of tender document. The Company shall pay the entire invoice amount to contractor and raise demand note on Ujjain Municipal Corporation for agreed share as mentioned in para (vi) of the Memorandum of Understanding. Subsequently, Ujjain Municipal Corporation shall make payment to the Company as per the demand note issued on monthly basis. In the event of non-payment by Ujjain Municipal Corporation, the Company will have right

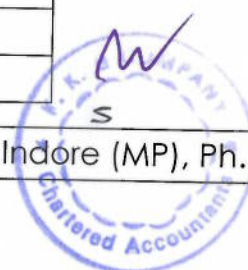


to adjust the amount from any amount payable to Ujjain Municipal Corporation.

However, it is observed that the company has not raised the demand notes on Ujjain Municipal Corporation, which were required to be raised on the monthly basis to recover its share of amount.

2. The expected date of completion of Phase II of swimming pool was September 2020 and the project cost for the same was estimated at Rs. 29.50 crores. It is observed that, the Phase II of swimming pool is not completed yet and hence revision in the cost of swimming pool is required, for which no disclosure is given in the financial statements.
3. Amount paid by the company for swimming pool maintenance to the contractor has been treated as Operational & Maintenance expense, despite the fact that such payment is the part of total contract value. In our view, the entire payment made to the contractor during the construction phase of Swimming Pool should be capitalized as swimming pool cost instead of treating the same as revenue expenditure.
4. The company is having substantial fixed deposits with Axis Bank. It has earned a sum of Rs. 16.23 crores as interest on the same during the year. It is noted that at the time of making deposit or at the time of maturity or at the time of renewal of fixed deposits no deliberations were made or no competitive quotes were invited for parking the funds with other banks for getting higher rate of interest and the fixed deposits were continued to be made in the Axis Bank.
5. The company has kept huge amount of idle funds in its saving account maintained with Axis Bank Limited. The month wise average balance kept by the company are as below :

Month	Average Balance (Rs. in crore)
April	11.00
May	4.00
June	5.00
July	4.00





August	2.00
September	4.00
October	4.00
November	3.00
December	3.00
January	2.00
February	6.00
March	3.00

The company has earned saving bank interest on the above account as below:

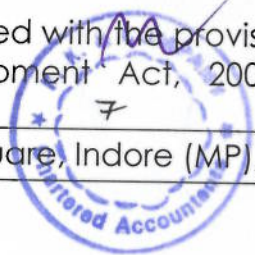
Quarter End	Amount (Rs. in lacs)
June	8.37
Sept	3.90
December	3.03
March	3.41
<b>Total</b>	<b>18.72</b>

If the company had kept these funds in fixed deposit account or in flexi deposit account the company could have earned higher interest income to the tune of (approx) Rs.40.00 lacs during the year. By not doing so the company has incurred an estimated loss of Rs. 21.28 lacs till the end of the reporting year.

6. The company has opened an account with HDFC Bank on 02/11/2019 in which a sum of Rs, 3.00 crores was transferred on the same date and another Rs. 3.00 crores was transferred on 06/02/2020. This money was transferred by making a pre mature withdrawal of fixed deposit from Axis Bank. This entire money of Rs. 6.00 crores was kept in the saving account till the end of financial year & even after that. The company had earned interest of Rs. 6.78 lacs on this saving account.

If the company had not withdrawn the same from fixed deposits, it could have earned an interest (approx) of Rs. 14.50 lacs. By not managing funds effectively the company has incurred an estimated loss of Rs. 7.72 lacs till the end of the reporting year.

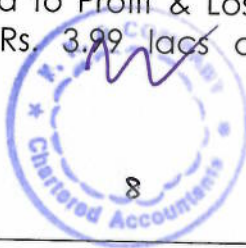
7. The company has no system of holding Audit Committee meetings on a regular basis. CAG's observations and the response submitted to CAG were not presented to the Audit Committee for their perusal & comments. This is violation of sec 177 of the Companies Act.
8. The Operational & Maintenance expenses of biomethanation plant includes expenses of Rs. 3.83 lacs pertaining to the period December 2018 to March 2019. Since this is prior period expenditure hence the same will be disallowed under the Income Tax Act for which no provision of tax has been made by the Company.
9. As on 31 March 2020, the company has accounted GST input tax receivable amounting Rs. 1.06 crores in the Financial Statements. The Company has not claimed input tax credit as it has no outward taxable supplies. In our opinion, the same should be added to respective project / administrative cost and hence it should not appear as GST input tax receivable. It is also observed that there is no system of reconciling the accounting entries in relation to GST as appearing in the books of accounts with the figures appearing in GSTR 2A/ GSTR 3B on the GST portal.
10. "As per proviso to Notification No. 50/2018-CT dated 13-9-2018, inserted on 5-11-2018, effective from 1-10-2018, provisions of TDS under GST do not apply when supply of goods or services or both are made by one PSU (Public Sector Undertaking) to another PSU. Also, TDS provisions do not apply on transactions between Local Authorities / Government Agency / Central / State Government Department / Notified person.  
The company has deducted GST TDS on amount paid to MPCON Limited (Union Government Company) and Ujjain Development Authority, which was not required as per CGST Act.
11. The company has not complied with the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). It is





observed that the company has made payments of Rs.4,67,96,578 to the suppliers beyond the appointed day (as defined u/s 2 of the Act) during the year but has not made any provision for interest as required u/s section 16 of MSMED Act. It is further observed that the Company has not made correct disclosure in note no. 12 of the financial statements in this respect.

12. The company's income tax return for the A.Y. 2018-19 was processed on 27/02/2020 and intimation u/s 143(1) was issued by the Income Tax Department. It is observed that the company has received short refund of Rs. 64.08 lacs. The company could not ascertain the reason of getting refund of lesser amount in order to attempt to claim the balance amount. The communication made in this respect are inadequate & have not been made at the proper forum to claim the substantial amount of pending refund.
13. The Company has signed a Memorandum of Understanding with HDFC Bank for Assistance in installation of Smart Cards for tracking and smooth functioning of cleaning vehicles. No disclosure in relation to the same has been made in the Financial Statements, Also, the status of this project is not known, as no documentation of the project was made available by the Company for our perusal & verification.
14. The company has purchased an Acrylic Board on 7th January, 2020 amounting to Rs. 0.24 lacs which is affixed & displayed in the Company's CEO's room. As per IndAS 16, 'Property, Plant & Equipment', this purchase should have been capitalized in the financial statements. However the same is transferred to Profit & Loss account resulting into under-reporting of assets by Rs. 0.24 lacs and over-reporting of expenses by the same amount.
15. The company has incurred Website Development Expenses amounting to Rs. 3.99 lacs which should have been capitalized in the financial statements as per Appendix A of IND AS 38, Intangible Assets. However the same is transferred to Profit & Loss account resulting in under-reporting of assets by Rs. 3.99 lacs and over-reporting of expenses by the same amount.



16. An amount of Rs. 2.92 crores (Rs. 0.54 crores for 2018-19 and Rs. 2.38 crores for 2019-20) is recognized under Current Assets – Other financial assets (Note-09) as TDS receivable from Income Tax Department. Above Income Tax was deducted by the bank on interest income accrued to the Company on fixed deposits and remitted to Income Tax Department. The management has claimed refund of the same, but the claim of Rs 0.54 crore is still not accepted by the Income Tax Department.

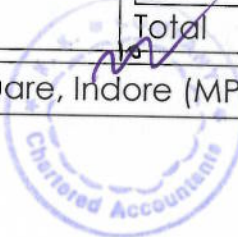
Further the Company has not appropriately disclosed the above fact in its Notes to Accounts forming part of Financial Statements.

17. On verification of fuel bills for the vehicle no. MP 13 CB 4636 used by then CEO it is observed that the diesel was filled in the same vehicle for more than once in the same day which appears to be abnormal & far from the reasonableness & reality. The details of such incidences are as below:

Name of petrol pump	Invoice no. & date	Remarks	
		Date of purchase	Quantity (in liters)
Govindram Hanuman Prasad, Ujjain	34/9 - 31/07/2019	01/07/2019	10.00
		01/07/2019	10.00
		07/07/2019	20.00
		07/07/2019	20.00
		16/07/2019	49.00
		16/07/2019	10.00
		19/07/2019	50.00
		19/07/2019	10.00
		23/07/2019	51.00
		23/07/2019	10.00
		Total diesel purchased for this vehicle in the month of July, 2019 was 427.00 liters.	



Govindram Hanuman Prasad, Ujjain	34/12 31/08/2019	-	<b>Date of purchase</b>	<b>Quantity (in liters)</b>	Total diesel purchased for this vehicle in the month of August, 2019 was 484.00 liters.
			18/08/2019	30.00	
			18/08/2019	10.00	
			29/08/2019	45.00	
			29/08/2019	10.00	
Govindram Hanuman Prasad, Ujjain	34/7 30/06/2019	-	<b>Date of purchase</b>	<b>Quantity (in liters)</b>	Total diesel purchased for this vehicle in the month of June, 2019 was 456.00 liters.
			09/06/2019	38.00	
			09/06/2019	10.00	
			14/06/2019	44.00	
			14/06/2019	10.00	
			21/06/2019	52.00	
			21/06/2019	10.00	
			26/06/2019	39.00	
			26/06/2019	10.00	
			29/06/2019	44.00	
Govindram Hanuman Prasad, Ujjain	3475 31/05/2019	-	<b>Date of purchase</b>	<b>Quantity(in liters)</b>	Total diesel purchased for this
			20/05/2019	41.00	
			20/05/2019	10.00	
			25/05/2019	48.00	
			25/05/2019	05.00	
			28/05/2019	53.00	
			28/05/2019	10.00	

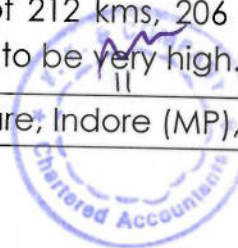


		vehicle in the month of May, 2019 was 514.00 liters.																				
Govindram Hanuman Prasad, Ujjain	347 – 30/04/2019	<table><thead><tr><th>Date of purchase</th><th>Quantity(in liters)</th></tr></thead><tbody><tr><td>09/04/2019</td><td>44.00</td></tr><tr><td>09/04/2019</td><td>10.00</td></tr><tr><td>19/04/2019</td><td>10.00</td></tr><tr><td>19/04/2019</td><td>10.00</td></tr><tr><td>22/04/2019</td><td>5.00</td></tr><tr><td>22/04/2019</td><td>43.00</td></tr><tr><td><b>23/04/2019</b></td><td><b>60.00*</b></td></tr><tr><td>30/04/2019</td><td>51.00</td></tr><tr><td>30/04/2019</td><td>5.00</td></tr></tbody></table> <p>Total diesel purchased for this vehicle in the month of April, 2019 was 531.00 liters.</p> <p><b><u>*48 liters of diesel was purchased on 22/04/2019 and on the next day 60 liters was again purchased, whereas the tank capacity of Innova is 50 liters only.</u></b></p>	Date of purchase	Quantity(in liters)	09/04/2019	44.00	09/04/2019	10.00	19/04/2019	10.00	19/04/2019	10.00	22/04/2019	5.00	22/04/2019	43.00	<b>23/04/2019</b>	<b>60.00*</b>	30/04/2019	51.00	30/04/2019	5.00
Date of purchase	Quantity(in liters)																					
09/04/2019	44.00																					
09/04/2019	10.00																					
19/04/2019	10.00																					
19/04/2019	10.00																					
22/04/2019	5.00																					
22/04/2019	43.00																					
<b>23/04/2019</b>	<b>60.00*</b>																					
30/04/2019	51.00																					
30/04/2019	5.00																					

During these five months the total quantity of diesel purchased is as below:-

Month	Quantity in Liters
April	531.00
May	514.00
June	456.00
July	427.00
August	484.00

Presuming the mileage of 12 km/ltr the vehicle running works out to be 6372 kms, 6168 kms, 5472 kms, 5124 kms, 5808 kms respectively for these months which means running of 212 kms, 206 kms, 182 kms, 170 kms, 194 kms per day which appears to be very high.





In the F.Y. 2019-20 the Company was served by two different CEOs. One CEO had served the Company in the period April 19 to August 19 & another CEO for the period September 19 to March 20.

The comparative expenditure on vehicle running and maintenance (CEO) in the period April to August and September to March 2020 is as below:

Month	Amount (Rs. in lacs)
April	0.37
May	0.35
June	0.30
July	0.31
August	0.38
<b>Total</b>	<b>1.70</b>

Month	Amount (Rs. in lacs)
Sept.	0.09
October	0.05
November	0.07
December	0.15
January	0.16
Feb	0.16
March	0.18
<b>Total</b>	<b>0.87</b>

From the above it may be observed that expenditure in the first 5 months was double as compared to expenditure in next 7 months. In the light of this the genuineness of bills of petrol dealer Govindram Hanuman Prasad and filling of diesel in the same vehicle for more than once in the same day may further be examined.

18. On verification of ledger of Misc office expenses (Printing & Stationery) it is observed that a sum of Rs. 0.85 lacs was paid to Bansal News. It is claimed that this expenditure pertains for preparation of a short video film. Competitive quotations were called from three parties namely Bansal News, News Prabha and Khushi Arts & Advertising for preparing this video. On verification it was observed that, all these quotations were prepared by the same person, other details are as below:

- In all the three quotations, date is written in the same handwriting. Even the handwriting, in respect of date, is same in the note sheet of the Company as that is in all the three quotations which means that the same were probably prepared by the Company itself.



- The quotation of Khushi Art & Advertising is made on computer generated letter head.
- The quotations of News Prabha and Khushi Art & Advertising are identical in terms of language, font style and presentation.
- The PAN number and GST number are not mentioned in any of the quotation.
- Address is not mentioned on the quotation given by News Prabha.
- Contact no. is not mentioned in the quotation given by Khushi Arts & Advertising.

These quotations lack independence and it appears that these have been made by the same person. These agencies are local news agencies rather than film making agencies. Thus the quotations taken does not appear to be genuine. Even the short video film is not available with the company as probably the same was not delivered by the vendor. Last meeting for discussion of audit observations was held with the Company on February 18<sup>th</sup>, 2021, however on that day too the Company could not produce the video & instead shown a wrong & old video to us. In view of the above an investigation should be carried out to ascertain the genuineness of the transaction and vendor selection process of the company.

19. The Company is head quartered at Ujjain and the meetings of Directors & Shareholders are held at the registered office of the Company at Ujjain. The Board of Directors of the Company comprises of Directors who are residing at New Delhi, Ghaziabad, Bhopal & Indore.

It is observed that for convening of Board & shareholders meeting the Company has a practice to issue a very short notice just making impossible for all the Directors to attend the meeting. A few instances of the meeting held at such short notices are as below :

Particulars of meeting	Date & time of issuing the notice	Date & time of meeting
Board of Directors	08.03.2021@3.42pm	09.03.2021@4.30pm
Audit Committee	04.03.2021 @15.42 pm.	05.03.2021@2.00pm
Adjourned 3 <sup>rd</sup> AGM	19.01.2021 @12.37 pm	19.01.2021@5.30pm
4 <sup>th</sup> AGM	31.12.2020 @12.00	31.12.2020@3.00pm



Thus the Directors who are not residing at Ujjain do not get the reasonable time & opportunity to attend the Company's meetings. Even at times it is practically impossible to attend the meeting virtually through video conferencing on such a short notice.. Eventually this has lead to key decisions being taken by a few members of the Board rather than having a broad based approach. This is not in accordance with the article 14.1(ii) of the Article of Association (AOA) of the Company.

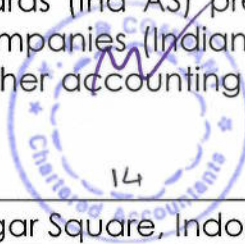
Similarly the article 15.6 of AOA mandates that "Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, in the manner provided in sec 101 of the Act". But except the notices of AGM & Audit Committee meetings, no notices /information were given to us which is not in line with the provisions of Article of Association of the Company.

On March 9<sup>th</sup>,2021, the meeting of Board of Directors was organized to approve the financial statements for the F.Y. 2019-20 of the company & to discuss auditors report thereon. However no notice of this meeting was given to us thus preventing us from discussing the important audit findings with the Chairman & other members of the Board.

20. The Company's accounts for the reporting period were approved by the Board of Directors of the Company on March 9<sup>th</sup>,2021. However the Company had filed its return of income for this period on January 8<sup>th</sup>, 2021 vide ack no. 141443191080121 on the basis of unaudited accounts which is factually incorrect & is not in line with the provisions of the Income Tax Act.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in the equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India.





This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act, for safeguarding of the assets of the Company, and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has not in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting

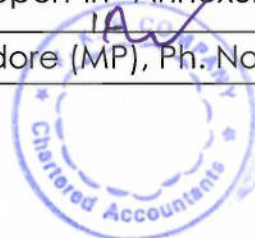


estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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

1. Requirements of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act are applicable. ( refer to our separate report in "Annexure A" )
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 the Comptroller and Auditor General of India.
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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) In case of Government Company, Section 164(2) of Company's Act 2013 shall not apply. Therefore no written representations were received from the directors stating that none of the directors is disqualified as on 31<sup>st</sup> March 2020.
  - 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'. Our report



expresses a modified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- I. The Company does not have any pending litigations which would impact its financial position.
  - II. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - III. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

*Page no 1 to 17*

**FOR K.K. & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FRN : 007691C**

  
**(MANOJ GUPTA)**  
**PARTNER**  
**M. No. : 075574**

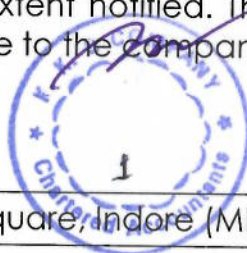
Place : Ujjain  
Date : May 1st, 2021  
UDIN : 21075574AAAAHE6945



**Annexure- A to the Independent Auditors' Report**

**Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Ujjain Smart City Limited, Ujjain, for the year ended on 31st March 2020**

- i. In respect of the fixed assets of the company:
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The company has a program for verification to cover all the items of fixed asset which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The fixed assets were verified by the management of the company during the year and according to the information and explanations given to us no material discrepancy were noticed during such verification.
  - c. The company does not hold any immovable property. Thus the provisions of clause 3(i)(c) of the said order are not applicable to the Company.
- ii. The company does not have any inventory during the year. Hence the provisions of clause 3(ii) of the said order are not applicable to the Company.
- iii. The company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) of the said order are not applicable to the Company.
- iv. The company does not have any investments or granted any loans, guarantees, and security to the parties covered under section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the Company.
- v. The company has not accepted any deposits from the public within the meaning of sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provisions of clause 3(v) are not applicable to the company.



- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including income tax and other material statutory dues, except in cases where Interest on TDS and GST has been paid due to delay in deposits of taxes as per following details:

Particulars	Amount
Interest paid on GST TDS	58,062.00
Interest paid on Income Tax TDS	1,739.00

- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax which have not been deposited on account of any dispute.
- viii. The company has not borrowed any loan from any financial institution nor it has issued any debentures as at the balance sheet date. Thus, the provisions of clause 3(viii) of the Order are not applicable to the company.
- ix. The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and no term loans were taken during the year. Therefore, the provisions of clause 3(ix) of the said order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management. Therefore, the provisions of clause 3(x) of the Order are not applicable to the company.
- xi. The company has paid managerial remuneration during the year in accordance with the requisite approvals however the provision of

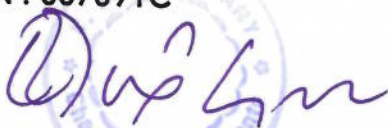


Section 197 read with schedule 5 to the Companies Act are not applicable as the Company is a Government Company.

- xii. In our opinion & according to the information & explanation given to us, the company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the said order are not applicable to the Company.
- xiii. The related party transactions were in compliance with the sections 177 and 188 of the Companies Act, 2013. However the disclosures as mandated by the applicable Indian Accounting Standards and Companies Act have not been properly dealt with in the financial statements
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3(xiv) of the said order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 and provisions of clause 3(xv) of the Order are not applicable.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

*Page 1 to 3 (Pt i to xvi)*

**FOR K.K. & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FRN : 007691C**



**(MANOJ GUPTA)**  
**PARTNER**  
**M. No. : 075574**

Place: Ujjain  
Date: 01.05.2021  
UDIN: 21075574AAAAHE6945

(3)

14, Scheme no. 53, Vijay Nagar Square, Indore (MP), Ph. No. 0731-2436510

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **UJJAIN SMART CITY LIMITED** on the Financial Statements for the year ended 31 March 2020.

S.no	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on Financial Statements
1	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which title/lease deeds are not available.	The Company does not hold any title/lease deeds for freehold and leasehold land as on 31 <sup>st</sup> March, 2020.	Nil
2	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved.	1.The Company and Ujjain Municipal Corporation had signed a Memorandum of Understanding for development of swimming pool project, wherein it was agreed that the Ujjain Municipal Corporation(UMC) will contribute a sum of Rs. 5.00 crores towards Phase-I of the swimming pool. Ujjain Municipal Corporation requested the company to contribute their share in the project which was to be reimbursed subsequently by them. However in the board meeting held on October	The current assets as at 31.03.2020 will be unrealizable to the extent of annul amount of Rs.5.62 crores. The decision to annul the share of the Ujjain Municipal Corporation of Rs. 5.62 crores. has adversely impacted the resources of the company and now the company has to deploy additional resources.

14, Scheme no. 53, Vijay Nagar Square, Indore (MP), Ph. No. 0731-2436510





		<p>22, 2020 it was decided to annul the share of the Ujjain Municipal Corporation of Rs. 5.62 crores.</p> <p>It has also been decided in the Board meeting that the UMC will not contribute Rs.10.00 crores for Swimming Pool Phase II which was agreed in the MOU. Hence now the Company will complete the Phase II of the project from its own resources.</p> <p>It is pertinent to note that the swimming pool project was started on the basis of equal contribution by both the parties. Eventually it was decided that the company will bear the burden of entire cost. It is also important to note that the Commissioner of Ujjain Municipal Corporation is also the Executive Director of the Company. It is observed that the required disclosures were not made in terms of provision of The Companies Act, 2013 (including all amendments re-enactments thereto) read with the rules framed there under and the Secretarial Standard 1 i.e. Secretarial Standard on board meetings issued by The Institute of Companies Secretaries of India.</p> <p>2. Directorate, Urban Administration &amp; Development, M.P ,Bhopal vide their letter number 2144/SC/UAD/2017 dated 21/12/2017 instructed the Company to transfer Rs. 50 crores to Bhopal Smart City Limited out of</p>	<p>This decision is also not in line with the Smart City Mission guidelines given on 'Financing of Smart Cities'.</p> <p>Further the Company has to bring in additional sources for completing Phase II of swimming pool project.</p> <p>The Company should have shown Rs.50.00 crores as receivable. But it has deducted entire amount from</p>
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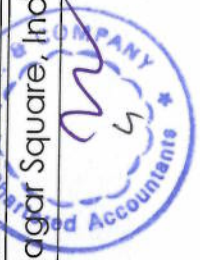
	grant received from State Government.	the grant. This has resulted into understatement of assets by Rs.50.00 crores.
	<p>Accordingly, the Company transferred Rs. 50 crores, out of State Government share of the grant to Bhopal Smart City Limited and the Company has deducted the same from the grant received..</p> <p>However, as per Smart City Mission guidelines, grant available with one Smart City Company cannot be transferred to another Smart City Company.</p> <p>It appears that the object of the State Government was to provide temporary funds to Bhopal Smart City Limited. The company is demanding this sum from the State Authorities and have sent six reminders for the same. Therefore in our view, instead of reducing the amount from the grant received, sum of Rs. 50.00 crores should have been shown as amount receivable under Current Assets from Bhopal Smart City Limited.</p>	
3	<p>Whether proper records are maintained for inventories lying with third parties. Physical verification of inventory/assets is not being done at regular intervals.</p> <p>The company has not received any assets as gift from Government.</p>	Nil
4	<p>Whether the company has system in place to process all the accounting transactions through IT system.</p>	Nil

14, Scheme no. 53, Vijay Nagar Square, Indore (MP), Ph. No. 0731-2436510



	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.		
5	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	The funds received from Center and states are used for the development of Ujjain city. The Board takes decisions for funds to be used for each project undertaken by the company.	<p>1 Other Expenses include Corona Center Expenses of Rs. 66,457/- incurred during the month of March, 2020. These expenses are not in line with the objects laid down in Smart City guidelines. The same were incurred on the directions given by MPUDC.</p> <p>2. O&amp;M Expenditure of the projects , assets of which are transferred to other parties, are still being incurred by the company.</p>
6	Whether the expenditure of the common projects undertaken by Municipal Corporation and Smart	<p>1.Our observations as per point no. 2 supra.</p> <p>2.As per MOU executed between the Company &amp; Ujjain Municipal Corporation, the Corporation was to</p>	Comments as per point no. 2 supra.

14, Scheme no. 53, Vijay Nagar Square, Indore (MP), Ph. No. 0731-2436510



	City combinedly rationally among them ?	<p>contribute a sum of Rs. 10.00 crores for the phase II of the Swimming Pool project. The work on the project has started. But subsequently in the Board Meeting held on Oct.22, 2020 it was decided that the Municipal Corporation will not contribute any funds &amp; the Company has to complete the project form its own resources.</p> <p>3. The company is executing following three projects which are implemented by Ujjain Municipal Corporation and are also partly funded by the company:-</p> <ul style="list-style-type: none"> <li>• Construction of sewerage network in ABD area of Ujjain under 'AMRUT'.</li> <li>• 24x7 water supply in ABD area.</li> <li>• MRIDA – Relocation under PMAY.</li> </ul> <p>Out of the above it is observed that, in respect to MRIDA – Relocation under PMAY, during the F.Y. 2019-20, a sum of Rs. 2.89 crores was transferred to Ujjain Municipal Corporation. This is despite the fact the project work was not started by Ujjain Municipal Corporation. The transfer of funds from company to Ujjain Municipal Corporation should have been based on the progress of the project and based on the utilization certificate issued by Ujjain Municipal Corporation</p>
7	Whether system for monitoring the execution of work vis-à-vis the milestones stipulated in	<p>Yes the system for monitoring the execution of work vis-à-vis the milestones stipulated in the agreement is in existence but the impact of cost escalation, if any, revenue/losses from contracts etc, have not been</p> <p>Cost escalation has not been disclosed in the financial statements. The impact of cost escalation</p>

14, Scheme no. 53, Vijay Nagar Square, Indore (MP), Ph. No. 0731-2436510





	the agreement is in existence and the impact of cost escalation, if any, revenue/losses from contracts etc, have been properly accounted for in the books.	properly accounted for in the books. Out of the 24 projects being undertaken by the Company, the cost escalation estimate has been done for only 3 projects. It is observed that the original estimated cost of these 24 projects is Rs.786.51 crores & cost escalation of just Rs.4.61 crores has been estimated by the Company which is not in line with the requirement of IND AS	has not been properly ascertained & adequate resources have not been planned which may hamper Company's project in future.												
8	Whether the bank guarantees have been revalidated in time ?	Yes	Nil												
9	Whether balances of trade receivables, trade payables, term deposits, bank accounts and cash at year end is confirmed ?	Yes. But third party confirmations are not obtained from parties in respect of mobilization advances given and retention money held of different parties.	Confirmation of balances increases the authenticity of the figures reported.												
10	Whether matching contribution from the state government and Central Government has been received as per prescribed schedule in the mission statement. If not, reason and description of it may be detailed.	<p>No. The Company has not received matching contribution from the Central Government and the State Government as per prescribed schedule in the mission statement.</p> <p>As per the information given by the Company the Company has received grants as per following details :</p> <p><b><u>From Central Government:</u></b></p> <table><tr><th>S.No</th><th>Grant Received</th><th>Amount</th></tr><tr><td>1</td><td>Government of India</td><td>196 Cr</td></tr><tr><td>2</td><td>Government of Madhya Pradesh</td><td>196 Cr</td></tr><tr><td>3</td><td>Transferred back to Government of</td><td>(50) Cr</td></tr></table> <p style="text-align: right;">INR Crore</p>	S.No	Grant Received	Amount	1	Government of India	196 Cr	2	Government of Madhya Pradesh	196 Cr	3	Transferred back to Government of	(50) Cr	<p>The Company should have shown Rs.50.00 crores as receivable. But it has deducted entire amount from the grant. This has resulted into understatement of assets by Rs.50.00 crores.</p>
S.No	Grant Received	Amount													
1	Government of India	196 Cr													
2	Government of Madhya Pradesh	196 Cr													
3	Transferred back to Government of	(50) Cr													

		Madhya Pradesh		
4		Net received from Government of Madhya Pradesh	146 Cr	
<p>Matching contribution of INR 50 Cr was returned to the state as per the directions received from Directorate, Urban Administration &amp; Development MP, Bhopal, vide letter reference number 2144/SC/UAD/2017, dated 21/12/2017 and this amount has not been received back by Ujjain Smart City Limited.</p>				

FOR K.K. & COMPANY  
CHARTERED ACCOUNTANTS

FRN : 007691C



(MANOJ GUPTA)

PARTNER

M. No. : 075574

Place : Ujjain

Date : 01.05.2021

UDIN : 21075574AAAH6945

(5)

14, Scheme no. 53, Vijay Nagar Square, Indore (MP), Ph. No. 0731-2436510



**Annexure - C to the Independent Auditors' Report**

**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 **UJJAIN SMART CITY LIMITED** ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of 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 controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become





inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company does not have an adequate internal financial controls system over financial reporting as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Basis for Opinion**

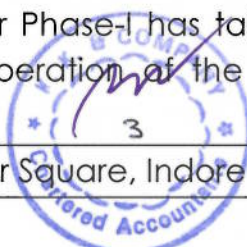
We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs) and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We draw your attention to the below mentioned points:

1. The Memorandum of Understanding with Ujjain Municipal Corporation for the development and construction of swimming pool, is not executed on a Stamp Paper and also date of execution, the name and designation of signatories are not mentioned in the said Memorandum of Understanding.
2. The company has acted in contravention of the Smart City Mission guidelines given on 'Financing of Smart Cities'. The Company has first entered in a MOU with Ujjain Municipal Corporation for the construction of Phase I & II of the swimming pool. Subsequently the company has waived a sum of Rs. 5.62 crores receivable from Ujjain Municipal Corporation (UMC) in respect of Swimming Pool Phase-I and has also waived contribution of Rs. 10.00 crores for Phase-II which was to be contributed by the UMC without passing a special resolution.

The above decisions have adversely impacted the resources of the company and now the company has to deploy additional resources

As annulment of share for Phase-I has taken place subsequently, the profit sharing ratio, on operation of the swimming pool, which was





decided earlier to be equal in the signed Memorandum of Understanding and other terms & conditions have also to be revised accordingly which has not been done by the company.

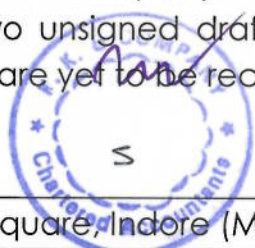
3. There exists a system for monitoring of execution of project work vis-a-vis the milestones stipulated in the agreement. However, the details of impact of cost escalation are not provided to us hence we are unable to comment on the same. Also there is no plan in place to generate the funds/ or obtaining additional grant in respect to the increased cost. No disclosure in this respect is made in the financials of the company.
4. Third party confirmations are not obtained from parties in respect of mobilization advances given and retention money held of different parties.
5. The company has not complied with the provisions of sec 177 of the Companies Act, 2013 relating to Audit Committee. It is observed that last meeting of the Audit Committee was held on Sept. 24, 2019 and no meeting was held thereafter till February 28<sup>th</sup>, 2021. The Audit Committee of the company appears to be defunct and following matters which were required to be considered by the committee were not presented before it :
  - i. Review and monitor the internal auditor's independence and performance, and effectiveness of audit process;
  - ii. Examination of the financial statement and the auditors' report thereon;
  - iii. Approval or any subsequent modification of transactions of the company with related parties;
  - iv. Granting of omnibus approval for related party transactions proposed to be entered into by the company.
  - v. Making recommendations to the board for the transactions not approved by it.
  - vi. Ratification of transaction involving any amount not exceeding one crore rupees entered into by a director or officer of the company without obtaining the approval of the Audit Committee.

- vii. Calling for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board. The committee may also discuss any related issues with the internal and statutory auditors and the management of the company.
- viii. To investigate into any matter in relation to the items specified in sub-section (4) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

It has been further provided that the Board's report under sub-section (3) of section 134 shall disclose the composition of an Audit Committee and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed in such report along with the reasons therefore.

However the company has not complied with the above

6. It is observed that the internal audit of the company is deficient on the following points:
- The internal auditor is taking part in all the managerial and financial decisions and signing on the note sheets of the company. Thus the internal auditor has become part of the management and has lost independence and distinctness from the management of the company. This is also against the Code of Ethics issued by the Institute of Chartered Accountants of India. The role of internal audit is to provide independent assurance that an organization's risk management, governance and internal control processes are operating effectively. There is lack of Independence and also no maker-checker control exists within Internal Audit framework of the Company.
  - The internal audit report submitted is grossly inadequate in view of voluminous project work of considerable values.
  - The frequency of submission of Internal Audit Report is half yearly which is not desirable keeping in view the magnitude and the nature of transactions of the company.
  - During the year only two unsigned draft reports were submitted. Final reports duly signed are yet to be received by the Company.





- The Internal Audit is not being performed based on the Auditing Standards issue by The Institute of Chartered Accountants of India.
  - Internal audit is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system. Internal audit, therefore, provides assurance that there is transparency in reporting, as a part of good governance. However the above objectives are missing in the present system.
  - The CAG vide their memo dated 02/05/2019 had also commented on the inadequate internal audit mechanism but no action appears to have been taken by the management of the company.
7. The Board of Directors in its 3rd meeting held on 22/03/2017 has directed the company to prepare a disaster management plan for Ujjain city for contingencies that may occur in future having special focus on emergency rescue track. PDMC was informed for taking necessary corrective action in the matter and the Executive Director was authorized do all such acts deeds and things necessary in this regard.

During the scrutiny of records, it was observed that the company has not prepared any disaster management plan for Ujjain city having special focus of emergency rescue track till date. Further reasons for not preparing any disaster plan in non – compliance of above resolution was not found in records.

8. The company has entered into an arrangement for website design development with PK Online for Rs. 14.16 lacs. The vendor has produced a bill no. 0022/PK/USCL dated May 14, 2019. The payment of the aforesaid bill was made on 22/05/2019 after making certain deductions.

In this respect it is observed that though the selection of vendor was made through tendering process but the item wise cost was not deliberated. The cost of development of website at a price of Rs. 14.16 lakhs seems to be very high, with the given contents. Hence it is

suggested that a suitable investigation should be carried out for accepting the cost of website at such a high price.

9. It is observed that a deduction of Rs. 250/ month was made for 5 months towards allotment of vehicle and sum of Rs. 1250.00 was credited in the Vehicle Running and Maintenance (CEO account). But for the rest 7 months no such deduction on account of vehicle allocation was made. It is further observed that no such deduction is made for other vehicles allotted to other executives of the company. The management of the company is advised to recover the vehicle allocation cost in the appropriate cases for the entire year.
10. There have been instances of violation of Section 40A(3) of the Income Tax Act wherein cash payments were made to an entity in a single day for a amount exceeding Rs. 10,000.00. Details of such transactions are as below :

Date	Nature of payment	Amount	Remark
29/08/2019	Misc. office expenses	15,440.00	
13/06/2019	Shakti Radio	15,500.00	Refrigerator purchased but competitive quotations not obtained.

11. Physical verification of Inventory is not done at regular intervals for the following projects in which inventory is lying with the third parties :

- Digital Center
- Smart Class
- Swimming Pool Phase I
- ICC
- ITMS
- Bio-Methanation
- She Lounge

Further there is no system in place to deal with shortage & losses arising on account of theft & misappropriation.



12. It is observed that there is poor monitoring of inventory and other assets lying at the Smart Classrooms as there are reports of frequent thefts taking place. Insurance company has declined the insurance claim owing to the poor management and control of inventories. It is observed that the company has not ensured proper safe guard of its assets and the monitoring system is not efficient to prevent possible cases of theft in future.

CAG vide its memo dated 04/05/2019 had raised serious concern on this issue but it appears that no remedial measures were taken by the company.

13. The fund management of the Company is weak. The funds remain idle in saving bank accounts instead of parking them for earning better returns. The Company could have carried out negotiations with the Banks in an attempt to earn higher rate of interest on fixed deposits.

In view of para 1 to 13 supra, we are of the view that the internal financial controls system is inadequate over financial reporting and lacks operating effectiveness. 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 may not be detected

*Page 1 to 8 (Pt no 1 to 13)*

**FOR K.K. & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FRN: 007691C**

  
**(MANOJ GUPTA)**  
**PARTNER**  
**M. No. : 075574**

Place: Ujjain  
Date : 01.05.2021  
UDIN : 21075574AAAAHE6945

(S)

**UJJAIN SMART CITY LIMITED**  
**CIN : U75100MP2016SGC041772**  
**BALANCE SHEET AS AT 31st MARCH, 2020**

		Amount in Rupees		
	PARTICULARS	Note No	31st March, 2020	31st March, 2019
I	<b>ASSETS</b>			
1)	<b>Non-Current Assets</b>			
	(a) Property Plant & Equipment	2	2,52,008	26,008
	(b) Capital work- in -progress	3	58,24,90,176	74,84,87,819
	(c) Intangible Assets	4	63,080	63,080
	(d) Financial Assets			
	(i) Others Financial Assets	5	4,87,799	1,199
	<b>Total Non-Current Assets</b>		<b>58,32,93,063</b>	<b>74,85,78,106</b>
2)	<b>Current Assets</b>			
	(a) Financial Assets			
	(i) Cash & Cash Equivalents	6	6,97,35,578	1,81,34,34,421
	(ii) Other Bank Balance	7	1,47,26,00,000	1,05,00,00,000
	(iii) Trade Receivables	8	-	1,28,535
	(iv) Other Financial Assets	9	37,70,75,829	20,54,37,573
	<b>Total Current Assets</b>		<b>1,91,94,11,407</b>	<b>3,06,90,00,529</b>
	<b>Total Assets (1+2)</b>		<b>2,50,27,04,470</b>	<b>3,81,75,78,635</b>
II	<b>EQUITY AND LIABILITIES</b>			
1)	<b>Equity</b>			
	(a) Equity Share Capital	10	2,00,00,00,000	2,00,00,00,000
	(b) Other Equity		-	-
	<b>Equity attributable to owners of the Company</b>		<b>2,00,00,00,000</b>	<b>2,00,00,00,000</b>
2)	<b>Liabilities</b>			
	<b>A) Non-Current Liabilities</b>			
	(a) Other Non-Current Liabilities	11	36,21,98,490	1,68,75,60,398
	<b>Total Non-Current Liabilities</b>		<b>36,21,98,490</b>	<b>1,68,75,60,398</b>
	<b>B) Current Liabilities</b>			
	(a) Financial Liabilities			
	Trade Payables			
	(i) Total outstanding dues of MSME	12	33,55,565	2,75,84,757
	(ii) Total outstanding dues of creditors other than MSME	12	9,03,99,883	9,06,21,646
	(b) Other current Liabilities	13	4,63,25,752	1,07,88,960
	(c) Short-term Provisions	14	4,24,780	10,22,874
	<b>Total Current Liabilities</b>		<b>14,05,05,980</b>	<b>13,00,18,237</b>
	<b>Total Equity and Liabilities</b>		<b>2,50,27,04,470</b>	<b>3,81,75,78,635</b>

The accompanying notes are an integral part of the financial statements.

1 to 26

As per our report of even date.

FOR K.K. & COMPANY  
 CHARTERED ACCOUNTANTS  
 FRN : 007691C

FOR AND ON BEHALF OF  
 UJJAIN SMART CITY LIMITED

(MANOJ GUPTA)  
 PARTNER  
 M.No. : 075574

ASHEESH SINGH  
 CHAIRMAN  
 DIN - 07636828

KSHITIJ SINGHAL  
 EXECUTIVE  
 DIRECTOR  
 DIN - 08759533

JITENDRA SINGH  
 CHOUHAN  
 CHIEF EXECUTIVE  
 OFFICER

JUVAN SINGH  
 TOMER  
 CHIEF FINANCE  
 OFFICER

MANOJ MAHESHWARI  
 COMPANY  
 SECRETARY  
 M. No. - F-7878

Place : Ujjain

Date : 09/03/2021



**UJJAIN SMART CITY LIMITED**  
**CIN : U75100MP2016SGC041772**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2020**

		Amount in Rupees		
PARTICULARS		Note No	31st March, 2020	31st March, 2019
I	Revenue from operation	15	3,78,798	1,64,352
II	Other Incomes	16	7,47,36,736	6,47,77,536
III	<b>Total Income (I+II)</b>		<b>7,51,15,534</b>	<b>6,49,41,888</b>
IV	<b>Expenses</b>			
	(a) Employee Benefit Expenses	17	1,32,17,841	1,04,69,122
	(b) Other Expenses	18	6,18,97,693	5,44,72,766
	<b>Total Expenses (IV)</b>		<b>7,51,15,534</b>	<b>6,49,41,888</b>
V	<b>Profit/(loss) before Tax (III-IV)</b>		-	-
VI	<b>Tax Expense</b>			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	(3) (Excess)/Short provision for tax of earlier years		-	-
	<b>Total tax expenses (VI)</b>		-	-
VII	<b>Profit/(Loss) after tax (V-VI)</b>		-	-
VIII	<b>Other comprehensive income</b>		-	-
IX	<b>Total Comprehensive income for the period (VII+VIII)</b>		-	-
X	<b>Earning per equity shares</b>		-	-

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

FOR K.K. & COMPANY  
 CHARTERED ACCOUNTANTS  
 FRN : 007691C

FOR AND ON BEHALF OF  
 UJJAIN SMART CITY LIMITED

(MANOJ GUPTA)  
 PARTNER  
 M.No. : 075574

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MANOJ  
 MAHESHWARI  
 COMPANY  
 SECRETARY  
 M. No. - F-7878

Place : Ujjain

Date : 09/03/2021

**UJJAIN SMART CITY LIMITED**  
**CIN : U75100MP2016SGC041772**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020**

S. No.	Particulars	Amount in Rupees	
		31st March 2020	31st March 2019
1	<b>Cash flow from operating activities:</b>		
	Profit before tax	-	-
	Adjustments for Depreciation	26,668	4,887
	<b>Operating profit before changes in working capital</b>	<b>26,668</b>	<b>4,887</b>
	Adjustment for Movements in working capital :		
	Increase(decrease) in trade payable	(2,44,50,955)	8,31,84,486
	Increase(decrease) in trade receivables	1,28,535	(1,28,535)
	Increase(decrease) in short term provisions	(5,98,094)	5,54,020
	Increase(decrease) in other current liabilities	3,55,36,792	(7,59,151)
	Decrease(increase) in other current assets	(17,21,24,856)	(4,74,06,793)
	<b>Cash flows from operating activities(A)</b>	<b>(16,14,81,910)</b>	<b>3,54,48,914</b>
2	<b>Cash Flow from investing activities</b>		
	Purchase of fixed assets	(2,52,668)	(30,895)
	Capital Work-in-progress	16,59,97,643	(72,98,91,894)
	Capital advances		(13,82,97,864)
	Increase in other Non-current Assets	(42,26,00,000)	-
	Decrease in other Non-current Liabilities	(1,32,53,61,908)	-
	<b>Cash flows from investing activities (B)</b>	<b>(1,58,22,16,933)</b>	<b>(86,82,20,653)</b>
3	<b>Cash Flow from financing activities</b>		
	Proceeds of issuance of share capital		
	Proceeds of Government grant received		20,04,66,544
	Government grants adjusted towards share capital	-	-
	<b>Cash Flow from financing activities ( C)</b>	<b>-</b>	<b>20,04,66,544</b>
	<b>Components of cash and cash equivalents</b>		
4	<b>NET INCREASE/DECREASE IN CASH &amp; CASH EQUIVALENT (A)+(B)+(C )</b>	<b>(1,74,36,98,843)</b>	<b>(63,23,05,195)</b>
5	<b>Opening Cash &amp; Cash Equivalents</b>	<b>1,81,34,34,421</b>	<b>2,44,57,39,616</b>
6	<b>Closing Cash Equivalents (4+5)</b>	<b>6,97,35,578</b>	<b>1,81,34,34,421</b>

- The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows"
- Previous year's figures have been regrouped wherever necessary, to conform to this year's classification

FOR K.K. & COMPANY  
 CHARTERED ACCOUNTANTS  
 FRN : 00769TC

(MANOJ GUPTA)  
 PARTNER  
 M.No. : 075574

ASHEESH SINGH  
 CHAIRMAN  
 DIN - 07636828

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FOR AND ON BEHALF OF  
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 CHIEF FINANCE  
 OFFICER

MANOJ  
 MAHESHWARI  
 COMPANY  
 SECRETARY  
 M. No. - F-7878

Place : Ujjain  
 Date : 09/03/2021



UJJAIN SMART CITY LIMITED

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
2,00,00,00,000	-	2,00,00,00,000

B. Other Equity

Particulars	Share money allotment	application pending	Equity component of compound instruments	financial	Reserves and Surplus				Total
					Capital Reserve	Securities Reserve	Premium	Other Reserves (specify nature)	
Balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	-	-	-	-	-	-	-



## NOTES FORMING PART OF FINANCIAL STATEMENTS

## 2 Property Plant &amp; Equipment

## Intangible Assets

Sr. No.	Accounting Group	Particulars	Useful Life (Years)	Opening Gross Block as on April 01, 2019	Fixed Asset Gross Block	Closing Gross Block as on March 31, 2020	Accumulated Dep. Opening Balance	Depreciation for the period	Depreciation on Deletions	Total Accumulated as on March 31, 2020	Net Book value as on March 31, 2020
1	Furniture	Almirah	10	7,500		7,500	326	712		1,038	6,462
2	Computers	Walling Multiseater Chair	10		12,800	12,800		1,186		1,186	11,614
		Computer Accessories	3	23,390	43,400	66,790	4,561	10,975		15,536	51,254
		Refrigerator 190 ltr	5		15,500	15,500		2,344		2,344	13,156
3	Office Equipment	Room Heater	5		26,700	26,700		1,094		1,094	25,606
		Ro / Water Purifier 25lph	5		21,830	21,830		4,148		4,148	17,683
		EPBX	5		11,800	11,800		344		344	11,456
		Mobile Phone	5		44,960	44,960		94		94	44,866
4	Electrical Installations and Equipment	Electrical Fittings	10		75,675	75,675		5,751		5,751	69,923
		Total		30,890	2,52,665	2,83,555	4,887	26,668	-	31,555	2,52,000

## Project Assets

26,003.05

Sr. No.	Particulars	Opening Gross Block as on April 01, 2019	Addition in Project Cost	Transfer From Project Grant	Net Book value as on March 31, 2020
1	Digital Center	1			1
2	Maa Kshirpa Aarti	1			1
3	Smart Class Room	1	1,29,550	1,29,550	1
4	VTMS Project	1			1
5	Biometrialation Project	1			1
6	Integrated Command and Control Centre		18,19,18,767	18,19,18,766	1
7	Swimming Pool Project		5,19,42,340	5,19,42,359	1
8	Incubation Center - Computer Equipment		58,65,496	58,65,495	1
	Total	5	23,98,76,173	23,98,76,170	8

1 Project mentioned above are completed by Ujjain Smart City. Contractually projects have achieved milestone of go live and are under operation & maintenance phase

2 Project assets capitalised during the FY 2019-20

3 Project asset is accounted for at nominal value after adjustment of government grant as per the requirement of para 27 of INDAS 20

4 Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.

5 Estimated useful life of the following assets is in line with useful life prescribed in schedule II of the Companies Act, 2013:

S. No	Particular	Useful Life
1	Furniture	10
2	Computers	3
3	Digital Center	3

6 Ujjain Smart City Ltd. is operating from the premises of Simhasa Meia Kanyaday Ujjain. The company is also using following items placed in the building.

S No	Particular	Total Number
1	Building	1
2	Furniture	189
3	Office Equipment (Electric and Electronic Items)	99



Amount in Rupees

3	Capital Work in Progress	31st March, 2020	31st March, 2019
	<b>Projects:</b>		
	Mahakaal Rudrasagar Integrated Development Approach-Phase I	21,22,90,036	2,65,98,879
	Integrated Command and Control Centre	-	18,40,87,717
	Incubation Centre	1,68,24,795	67,36,777
	Nutan School	9,38,58,284	98,24,811
	She Lounge	36,59,500	6,84,900
	Swimming Pool Phase-I	-	1,86,30,428
	AMRUT-UMC	-	50,00,00,000
	Urban Green and Mayur Van	1,81,76,689	19,24,307
	Mahakaal Rudrasagar Integrated Development Approach-Phase II	52,60,429	
	Ganesh Nagar School	1,10,80,265	
	Integrated Traffic Management System	12,08,06,527	
	Multi Level Car Parking	15,000	
	Smart Road-Under Ground Ducting	5,89,89,846	
	Solar Panel Project	2,93,01,838	
	Swimming Pool Phase -II	1,22,26,967	
		<b>58,24,90,176</b>	<b>74,84,87,819</b>

**Notes:-**

- Project incubation centre has various components such as Civil Construction, HVAC installation, interior & furnishing and computing equipment, which are awarded to different contractors. Completed Component are capitalised and work being executed in recognised as CWIP.

4	Other Intangible assets	31st March, 2020	31st March, 2019
	Software's	63,080	63,080
		<b>63,080</b>	<b>63,080</b>

**Notes:-**

Accounting and TDS software are recognized as intangible assets and has been tested for impairment at the end of financial year. There is no changes in the Market value and future economic benefits hence no impairment loss recognised this year. Useful life of both the Software's is indefinite.

5	Other Financial Assets	31st March, 2020	31st March, 2019
	<b>Security Deposit</b>		
	Security Deposit (BSNL)	1,199	1,199
	Security Deposit With MPKVNL-ICCC	2,12,800	
	Security Deposit With MPVVCL -Swimming Pool	2,73,800	
		<b>4,87,799</b>	<b>1,199</b>

6	Cash & Cash Equivalents	31st March, 2020	31st March, 2019
	i Unrestricted Balance with Bank	6,97,18,558	1,34,12,425
	ii Cash in Hand	17,020	21,996
	iii Fixed Deposit (Maturity Less than 3 Month)		1,80,00,00,000
		<b>6,97,35,578</b>	<b>1,81,34,34,421</b>

7	Other Bank Balance	31st March, 2020	31st March, 2019
	Fixed Deposit (Maturity More than 3 Month)	1,47,26,00,000	1,05,00,00,000
		<b>1,47,26,00,000</b>	<b>1,05,00,00,000</b>





8	Trade Receivables	Amount in Rupees	
		31st March, 2020	31st March, 2019
	Trade Receivables		1,28,535
		-	1,28,535

9	Other financial assets	31st March, 2020	31st March, 2019
	<b>Advance to Vendor</b>		
	Mobilization Advance to PK Online Ventures (P) Ltd	-	14,51,221
	Mobilization Advance to Tata Project Ltd	15,70,93,491	13,81,64,900
	M.P.Urja Vikas Nigam ,Bhopal	1,00,20,000	1,00,20,000
	Technosys Security Systems (PVT) Ltd	73,50,591	
		<b>17,44,64,082</b>	<b>14,96,36,121</b>
	<b>TDS Receivable</b>		
	TDS Receivable (FY-2017-2018)	1,88,94,659	1,88,94,659
	TDS Receivable (FY-2018-2019)	2,37,64,867	2,37,64,867
	TDS Receivable (FY-2019-2020)	1,58,23,642	
		<b>5,84,83,168</b>	<b>4,26,59,526</b>
	<b>Other</b>		
	GST Input	1,06,33,678	1,30,91,996
	Interest accrued on FDs	7,76,64,823	49,930
	TDS Recoverable	160	
	Advance to Service Provider	13,592	
	Receivables from UMC	5,58,16,325	
		<b>14,41,28,578</b>	<b>1,31,41,926</b>
		<b>37,70,75,829</b>	<b>20,54,37,573</b>

**Notes:-**

- i The amount shown as TDS Receivable for FY 2017-18 has been received partly i.e. INR 1,35,47,730/- in the month of June 2020. Claim for balance receivable has been initiated.

10	Share Capital	31st March, 2020	31st March, 2019
	<b>i Authorised shares:</b> 200,000,000 number of Equity shares of Rs. 10 each	2,00,00,00,000	2,00,00,00,000
	<b>ii Issued, subscribed and fully paid up shares:</b> 200,000,000 number of Equity shares of Rs. 10 each	2,00,00,00,000	2,00,00,00,000
	<b>Total Issued, subscribed and fully paid up share capital</b>	<b>2,00,00,00,000</b>	<b>2,00,00,00,000</b>

**A. Terms/rights attached to equity shares**

The company has only one class of equity shares having par value Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.





**B. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	31st March, 2020	31st March, 2019
Shares outstanding at the beginning of the year	20,00,00,000	20,00,00,000
Shares issued during the year		
Shares bought back during the year		
<b>Shares outstanding at the end of the year</b>	<b>20,00,00,000</b>	<b>20,00,00,000</b>

**C. Shares in respect of each class in the company held by its holding company**

Name of Shareholder	31st March 2020		31st March 2019	
	No. of shares	% of holding	No. of shares	% of holding
Madhya Pradesh Urban Development Co. Ltd.	10,00,00,000	50	10,00,00,000	50

As per clause no 12(V) of the Articles of Association of the company "Except nominee of the Central Government and the Mayor, appointment of all the directors of the company or change therein shall be done with the approval of MPUDCL. Thus MPUDCL is having control over the composition of the Board of Directors of the company and hence as per Section 2(87) (i) of the Companies Act 2013, the company is a subsidiary of MPUDCL.

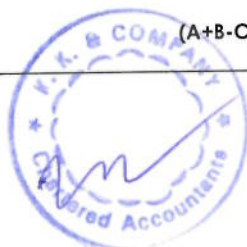
**D. Details of shareholders holding more than 5 % shares in the Company**

Name of Shareholder	31st March 2020		31st March 2019	
	No. of shares	% of holding	No. of shares	% of holding
Madhya Pradesh Urban Development Co. Ltd.	10,00,00,000	50	10,00,00,000	50
Ujjain Municipal Corporation	10,00,00,000	50	10,00,00,000	50

11	Other Non-Current Liabilities	31st March, 2020	31st March, 2019
	<b>Government Grants</b>		
	i Project Grant	35,59,31,656	1,61,96,59,756
	ii Revenue related Grant	62,66,834	6,79,00,642
		<b>36,21,98,490</b>	<b>1,68,75,60,398</b>

**ANNEXURE to Note 11**

	Government Grants	31st March, 2020	31st March 2019
i	<b>Project Grant</b>		
	<b>Opening Balance</b>		
	<b>Add :</b>		
	1 Interest on Project earmarked funds	14,85,53,397	23,67,70,467
	2 Interest on Mobilization advance	2,00,74,779	24,26,665
	<b>Total</b>	<b>16,86,28,176</b>	<b>23,91,97,132</b>
	<b>Less :</b>		
	1 Transferred to P & L A/c -Project O&M expenses	1,35,80,106	93,87,695
	2 Transferred to Projects on Capitalisation	23,98,76,170	3,47,39,826
	3 Project Health ATM	15,00,00,000	1,06,200
	4 UMC-24*7 Water Supply	1,00,00,00,000	
	5 UMC-Amrut Project	2,89,00,000	
	6 UMC-PMAY for MRIDA		
	<b>Total</b>	<b>1,43,23,56,276</b>	<b>4,42,33,721</b>
	<b>Closing Balance</b>	<b>35,59,31,656</b>	<b>1,61,96,59,756</b>



		Amount in Rupees	
ii	Revenue related grants		
	Opening Balance	A	6,79,00,642
	Add :		
	1 Fund received from Central Government		5,94,00,000
	2 Interest on Revenue earmarked funds		98,44,473
		B	1,22,22,038
			6,92,44,473
	Less :		
	1 Transferred to Profit & Loss Account on proportionate basis		7,38,55,846
			6,37,41,340
	Closing Balance	C	7,38,55,846
			6,37,41,340
	Total	(A+B-C)	62,66,834
			6,79,00,642

## Notes:-

- 1 Total fund Received from GOI :195.94 crore  
 Total Fund Received From GoMP :196 crore  
 Less-Transferred Back to State :(50) Crore\*  
 Net Fund Received : :341.94 Crore

\* With reference to letter from Directorate, Urban Administration & Development, MP, Bhopal, No 2144/SC/UAD/2017 dated 21/12/2017, Ujjain Smart City was directed to transfer an amount of INR 50.00 Crores. The amount was credited from share of State to the account of Bhopal Smart City Limited. Since the transfer was directed by the State authority, it is accounted for as reduction from State Govt grant.

2 3 projects which are being implemented by Ujjain Municipal Corporation, are partly funded by Ujjain Smart City Limited. Only fund is transferred for these projects by USCL and therefore, Project cost is adjusted against Project Grant.

a Project "Construction of Sewerage network in ABD area of Ujjain" commonly known as AMRUT is being implemented by Ujjain Municipal Corporation. Ujjain Smart City has funded INR 100 Crore.

b INR 15 Cr for Project 24 X 7 Water Supply in ABD Area -Retrofitting of existing water supply pipe lines and allied infrastructure to PHE-UMC

c INR 2.89 Cr for MRIDA - Relocation under PMAY

3 Operation and Maintenance cost of projects is recognised in Profit & Loss Statement and adjusted against Project Grant fund as per requirement of INDAS 20

Digital Centre  
 Smart Class  
 VTMS-O&M  
 Branding & Promotion Expense  
 Swimming Pool  
 ICCC  
 Biomethanation

4 Project ICCC, Project Swimming Pool Phase I and one independent component of Project Incubation Centre completed during FY 2019-20. Contractually projects have achieved milestone of go live and are under operation & maintenance phase. Project Grant related to capitalisation is shown against gross value of asset as per the requirement of INDAS 20.

12	Trade Payables	31st March, 2020	31st March, 2019
i	Trade payable for goods & services dues to MSME	33,55,565	2,75,84,757
ii	Trade payable for goods & services dues to other than MSME	9,03,99,883	9,06,21,646
		9,37,55,448	11,82,06,403

## Note:-

- 1 The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the Financial Statements based on the information received and available with the company. The Company has not received any claim for interest from any supplier as at the balance sheet date.
- 2 The Company has amount due to suppliers under the Micro, Small and Medium Enterprises Development act, 2006(MSMED Act) as at March 31,2020 the disclosure to the said Act is as under.





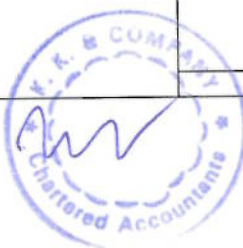
Amount in Rupees

1	Principal amount due to suppliers under MSMED act, 20016	33,55,565	2,75,84,757
2	Interest accrued, due to suppliers under MSMED act on the above amount, and unpaid		-
3	Payment made to suppliers (other than interest) beyond the appointed day during the year		-
4	Interest paid to suppliers under MSMED Act (Section 16)		-
5	Interest due and payable toward suppliers under MSMED Act for payments already made		-
6	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act		-
7	Amount of further interest remaining due and payable even in the succeeding years		-

13	Other Current Liabilities	31st March, 2020	31st March, 2019
	i Duties & Taxes	38,06,606	9,62,393
	ii EMD	2,39,940	-
	iii Performance Security	5,08,957	5,08,957
	iv Retention/ withheld money	3,53,09,316	88,35,813
	v Withheld For Royalty	43,84,580	4,81,797
	vi Labour Cess	20,76,353	-
		<b>4,63,25,752</b>	<b>1,07,88,960</b>

## ANNEXURE to Note 13

	Other Current Liabilities	31st March 2020	31st March 2019
i	<b>Duties &amp; Taxes</b>		
	- TDS Payable (194C)	17,39,036	1,88,512
	- TDS Payable (194J)	6,46,898	3,94,672
	- TDS Payable (192B)	69,949	51,984
	- TDS Payable (194I)	6,000	-
	- TDS GST	13,42,023	3,24,295
	- Professional Tax	-	2,930
	- RCM GST	2,700	-
		<b>38,06,606</b>	<b>9,62,393</b>
ii	<b>EMD</b>		
	- EMD	2,39,940	-
		<b>2,39,940</b>	<b>-</b>
iii	<b>Performance Security</b>		
	- Precise Automation & Robotics	4,93,572	4,93,572
	- Globe	15,385	15,385
		<b>5,08,957</b>	<b>5,08,957</b>
iv	<b>Retention/Withheld Money/Security Deposit</b>		
	- IPE Global Ltd (PDMC)	36,51,956	56,80,770
	- PK Online Ventures Pvt. Ltd.	-	1,06,500
	- MP Babariya (MRIDA)	1,09,91,326	4,15,670
	- Sadguru Construction (Swimming Pool-I)	90,416	24,76,205
	- VSN International (Digital Centre)	1,35,547	1,56,668
	- Ashok Kumar Jain (Ganesh Nagar School)	4,63,722	-
	- Ashwath Infratech Pvt Ltd (Rain Water Harvesting)	5,84,982	-
	- Manoj Sharma (Mayur Van)	5,76,851	-
	- MP Babariya (Nutan School)	48,69,875	-
	- Surana Fabricators (Swimming Pool -II)	11,03,373	-
	- Tata Projects Ltd (Under Ground Ducting)	49,86,618	-
	- Vijaywargi Infra Eng. Pvt Ltd (Incubation Centre)	33,484	-
	- Technosys Security System (ITMS)	62,57,844	-
	- HPE (ICCC)	14,00,994	-
	- Maheshwari Computers (Incubation Centre)	1,62,328	-
		<b>3,53,09,316</b>	<b>88,35,813</b>



Amount in Rupees

v	Royalty from Contractor	43,84,580	4,81,797
vi	Labour Cess	20,76,353	-
		4,63,25,752	1,07,88,960

14	Short-term Provisions	31st March, 2020	31st March, 2019
	i Provision for Employee Benefit	1,35,388	8,66,910
	ii Other Provisions	2,89,392	1,55,964
		4,24,780	10,22,874

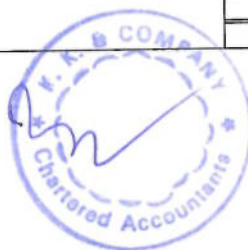
## ANNEXURE to Note 14

	SHORT TERM PROVISIONS	31st March, 2020	31st March 2019
i	Provision for Employee Benefit		
	- Salary Payables	-	6,97,621
	- GIS		600
	- GPF		61,070
	- Performance Linked Bonus	1,35,388	1,07,619
		1,35,388	8,66,910
ii	Other Provisions		
	- Electricity Expenses Payable	2,01,559	99,158
	- K.K. & Company	54,000	54,000
	- Telephone Expenses Payable	33,833	2,806
		2,89,392	1,55,964
		4,24,780	10,22,874

15	Revenue from Operation	31st March, 2020	31st March, 2019
	Mobile Charging Kiosk	1,32,598	1,64,352
	Swimming Pool-Membership Fee	2,46,200	
		3,78,798	1,64,352

16	Other Incomes	31st March, 2020	31st March, 2019
	Transfer From Revenue Grant	7,38,55,846	6,37,41,340
	Misc. Receipts	890	172
	Receipts From Tender Fees	45,763	10,36,024
	Income From BG Invocation	8,34,237	
		7,47,36,736	6,47,77,536

17	Employee Benefit Expenses	31st March, 2020	31st March, 2019
	Salary	1,32,17,841	1,04,69,122
		1,32,17,841	1,04,69,122





**UJJAIN SMART CITY LIMITED**
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

		Amount in Rupees	
18	Other Expenses	31st March, 2020	31st March, 2019
	<b>Project Expenses</b>		
	- Digital Centre (O&M)	6,20,648	2,10,142
	- Smart Class (O&M)	39,31,566	34,98,910
	- VTMS-O&M		6,16,965
	- Branding & Promotion Expense	4,60,984	50,61,679
	- Swimming Pool O&M Expenses	28,50,903	
	- ICCCC	33,72,486	
	- O&M Biomethanation	18,88,789	
	- Incubation Centre (O&M)	52,389	
	- Heritage Walk In Ujjain City	24,150	
	- Bus Shelter	97,508	
	- MMTH Project	68,064	
	- Pink Corridor	6,182	
	- Convention Centre Project	2,06,437	
	<b>Less</b>		
	- Project Grant- Expenses	(1,35,80,106)	(93,87,695)
	<b>Total [A]</b>	<b>-</b>	<b>-</b>
	<b>Other Expenses</b>		
	- Audit Fee	50,000	50,000
	- Depreciation	26,668	4,887
	- Electricity Expenses	7,15,653	7,92,084
	- Honorarium Exp	12,000	12,000
	- HR Consultancy Fees		3,30,983
	- Labour Registration Fees		3,000
	- Local Conveyance	1,75,662	56,437
	- Professional Fees	3,72,800	3,73,500
	- Professional Tax -Company	2,500	5,000
	- Refreshment Exp.	70,776	18,370
	- Repair & Maintenance Exp.	1,84,690	66,723
	- Legal Fee	28,900	11,300
	- Tour & Traveling Expenses	8,55,460	4,05,257
	- Board Meeting Exp	49,681	39,545
	- Misc Office Expenses	5,28,691	5,47,303
	- PDMC Fee	4,55,78,935	5,10,07,884
	- Vehicle Running Expenses	3,48,956	7,48,493
	- Sitting Fees	1,60,000	
	- Bank Charges	141	
	- Corona Centre Expenses	21,497	
	- GST Input Reversal	1,27,14,683	
	<b>[B]</b>	<b>6,18,97,693</b>	<b>5,44,72,766</b>
	<b>[A]+[B]</b>	<b>6,18,97,693</b>	<b>5,44,72,766</b>

**Notes:**

19 M/s Precise automation & Robotics was appointed for project Vehicle Tracking Management System. In July 2020 agency was terminated by the Ujjain Smart City Limited and performance security of INR 4,93,572/- was forfeited after termination in Aug 2020.

Amount shown in the Financial Statement for M/s Precise Automation & Robotic for FY 2019-20

1) Trade Payable-INR 4,68,475/-

2) Performance Security in the form of demand draft- INR 4,93,572/-

20 Expenditure on development of website has been recognised in Statement of Profit & Loss in accordance to INDAS 38- Appendix A – INTANGIBLE ASSETS-Web Site Cost.

21 Ujjain Smart City (USCL) and Ujjain Municipal Corporation (UMC) have signed an MoU for projects Swimming Pool Phase I and Swimming Pool and Sports Complex Phase II. As per the MoU, UMC will share INR 5 Cr and INR 10 Cr for Phase I and Phase II respectively and balance project cost will be borne by USCL. The Board of Directors of USCL in the 18th meeting held on Oct 22, 2020 have approved to annul the share of UMC for both the projects. Board also approved funding from Smart City Mission for both the projects. As on March 2020, receivable from UMC is INR 5,62,79,222/-

22 GST Input tax Credit of INR 1,06,33,678.38 availed during FY 2019-20 reversed in Sep, 2020.

23 The O&M Expenses of Bio-Methanation Plant includes Rs 3.83 Lacs of O&M expenses related to period from Decemeber 2018 to March-2019.



UJJAIN SMART CITY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

24 Project wise open Commitments against Smart City Grant

INR Crore

S No	Name of the Project	Smart City Fund Allocation	Amount paid till March 31, 2020	Open Commitment as on March 31, 2020	Remark if any
1	Smart Classrooms	3.04	1.98	1.06	
2	Integrated Command and Control Centre	35.00	18.27	16.73	
3	Conducting Maa Kshipra Aarti & Malkhamb in Ujjain	1.18	0.46	Nil	Project Completed and closed
4	Branding and promotion of Ujjain Smart City and Website	2.95	0.49	2.46	
5	Construction of Olympic Size Swimming Pool and Sports complex	12.00	10.29	1.71	Note No 21
6	Installation of 5TPD capacity Waste to Energy Biomethanation Power Plant including Operation & Maintenance	1.96	1.22	0.74	
7	Installation of 1.29 MW Power Solar Photovoltaic Plant at 3 water pumping stations	6.15	3.93	2.22	
8	Smart Solutions for Public Mobility and Municipal Vehicles	1.16	0.45	0.71	Note No 19
9	Digital Centre	0.22	0.16	0.06	
10	Construction Of School Complex At Nutan School Site Under Mrida Project	26.67	8.83	17.84	
11	Construction of She-Lounge in PPP (DBFOT)	0.37	0.37	-	
12	Incubation Centre	7.31	2.17	5.14	
13	Installation and maintenance of Living Green Walls & Rooftop Lawns in Buildings and Public Spaces in Ujjain and Mavur Van	3.94	1.72	2.22	
14	Smart Healthcare	0.01	0.01	Nil	Project Completed
15	Integrated Traffic Management System	35.28	8.34	26.94	
16	MRIDA - Construction of School at Ganesh Colony	8.29	1.03	7.26	
17	Smart Road with underground ducting	324.65	18.07	306.58	
18	Mahakaal Rudrasagar Integrated Development Approach (MRIDA)	138.24	15.72	122.52	
19	Swimming Pool Phase II and Sports Complex	19.50	2.37	17.13	
20	MRIDA - Multi Level Car Parking	34.27	0.00	34.27	
21	Construction of Sewerage network in ABD area of Ujjain	100.00	100.00	Nil	
22	24 X 7 Water Supply in ABD Area - Retrofitting of existing water supply pipe lines and allied infrastructure	20.00	15.00	5.00	
23	MRIDA - Relocation under PMAY	3.00	2.89	Nil	
24	Mahakaal Rudrasagar Integrated Development Approach (MRIDA-Phase II)	6.00	0.50	5.50	
	<b>Total</b>	<b>791.19</b>	<b>214.29</b>	<b>576.07</b>	

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- 25 The extent to which COVID-19 Pandemic will impact Company's results will depend on future development, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of COVID-19 pandemic may be different from the estimated as at the date of approval of these financial results and the Company will continue to closely monitor any changes to future economic condition.



UJJAIN SMART CITY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

26	Details of Expenses incurred for Project Mahakaal Rudrasagar Integrated Development Approach (MRIDA-Phase II) selected under CITIIS Program	
S No	Particulars	Amount (INR )
1	Employee Benefit	13,14,642
2	HR Consultancy Fees	70,000
3	Office Expenses	63,430
4	Vehicle For CITIIS Team	1,35,083
5	Project Consultant	34,90,440
6	Tours & Travelling Exp	1,54,262
7	Vehicle Running & Maintance Exp	32,573
	<b>TOTAL EXPENSES</b>	<b>52,60,429</b>





**1. CORPORATE INFORMATION –**

Ujjain Smart City Limited ("USCL" or the "Company") is a public limited company domiciled and incorporated in India under the Companies Act, 2013 ("the Act"). The registered office of the Company is situated at Mela Karyalaya, behind Brahaspati Bhavan, Kothi Palace Road, Ujjain. USCL is Special Purpose Vehicle (SPV) formed under Smart City Mission of the Government of India for implementation of Smart City projects in Ujjain. The core objective of Ujjain Smart City Limited is to provide core infrastructure, decent quality of life to citizen of Ujjain with clean & sustainable environment and application of Smart solutions. SPV will plan, appraise, approve, release funds, implement, manage, and operate, monitor, and evaluate the smart city development project as per the Mission Statement & Guidelines.

**Notes forming part of the Financial Statement.**

**Note[1]**

**SIGNIFICANT ACCOUNTING POLICIES -**

**(a) Statement of compliance**

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by the Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations requires a different treatment. These financial statements have been approved for issue by the Board of Directors at its meeting held on 09-March-2021.

**(b) Basis of preparation & presentation of financial statements:**

The financial statement has been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis and accrual basis.

Figures for the previous year have been regrouped and/or rearranged wherever considered necessary so as to make them comparable with the current year's figures.

**(c) Presentation of financial statements**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as





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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

**(d) Property, Plant & Equipment, Capital Work in Progress**

As per the Smart City Mission guidelines, the company is required to plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Smart City Development Projects. Government grant is available for capital projects defined in company's smart city proposal. One defined project in company's smart city proposal is considered as one PPE item. Presentation of capital and operation & maintenance cost of PPE items are done as per the requirement of INDAS 20.

Cost incurred during development of smart city projects is recognised as capital work in progress. Capital work in progress is carried at cost until construction and installation are complete and the asset is ready for its intended use. PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any.

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

**(e) Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

capitalised as a part of the cost of the intangible assets. The method of amortisation and useful life are reviewed at the end of each financial year with the effect of any changes in the estimate being accounted for on prospective basis. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life. Accounting software is recognised as intangible assets and is tested for impairment at the end of each financial reporting period.

**(f) Impairment of assets**

As at the end of each financial year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any. Intangible assets with indefinite life are tested for impairment each year.

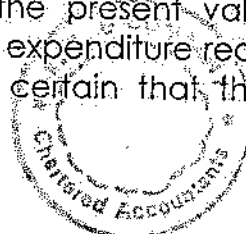
**(g) Use of estimates**

The preparation of these financial statements in conformity with the recognition and measurement principles of IndAS requires the Management of the Company to make estimates and assumption that affect reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statement and the reported amount of income and expenses for the period presented.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected. The Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognised in the period in which the results are known/materialise.

**(h) Provisions and contingent liabilities**

Provisions are recognised only when: (i) the Company has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits, will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.





NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Contingent liability is disclosed in case of: (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and (ii) a present obligation arising from past events, when no reliable estimate is possible. (iii) The company is contingently liable for interest/penalties if any leviable in the matters of Income Tax, TDS, GST and Professional tax and matters relating to short or late deposit of TDS.

Provisions & contingent liability is reviewed at each Balance Sheet date.

**(i) Revenue Recognition**

Income is recognized on accrual basis.

**(j) Government Grant**

As per para 10.3 of the Mission Statement & Guidelines, funds provided to the SPV is in the form of tied grant and to be kept in a separate grant fund. These funds will be utilised only for the purposes for which the grants have been given and subject to condition laid down by the MOUD.

Government grant is not recognised until there is a reasonable assurance that the company will comply with the conditions attaching to them and that the grant will be received. Government grant whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as non-current liability in the balance sheet and adjusted against gross value of asset on completion of project as per the requirement of IND AS 20. Project grant fund which is identified for operation and maintenance is presented as reduction to expenses as per the requirement of IND AS 20.

Revenue related Government grants are recognised in the Statement of Profit and Loss Accounts on a systematic basis over the periods in which the company recognises as expenses the related cost for which grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit and loss in the year in which they become receivable.

The interest accrued on the funds received from GOI and State Government cannot be utilised for the purpose other than for the implementation of objects for purpose for which this SPV is formed and hence the same is considered as part of tied Grant. Interest also includes any interest accrued on mobilisation advances given to contractors as per the terms of the contract agreement.

Being an enterprise of government, the Company receives government assistance in the form of advice. This assistance cannot reasonably have a value placed



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

upon them and are free technical advices. Hence, no separate disclosure is required as per IND AS 20.

**(k) Employee Benefits**

Short term employee benefits: -Employee benefits payable wholly within 12 months of receiving employee services are classified as short-term employee benefits. Employee benefits include Salary and other benefits. The undiscounted amount of short-term employee benefits to be paid in exchange for employee service is recognised as an expense as the related services is rendered by the employees.

Post-employment and other long-term employee benefits: -Provision for Employee Provident fund is done as per the rules. The company does not expect to provide any post-employment or other long-term benefits to employees.

**(l) Cash & cash equivalents and other bank balances**

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value. Cash & cash equivalents consist of balances with banks with no restriction on withdrawal and usage which includes fixed deposit with banks having maturity less than 3 months. Other bank balances include fixed deposits with no restriction on withdrawal and usage and maturity more than 3 months.

**(m) Current & Non-current classification**

Operating cycle of the Company covers the duration of the specific project/contract/product line/service including the defect liability period wherever applicable and extends up to the payment of payables (including retention monies, if any) within the agreed contract period. The Company presents assets & liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within 12 months after the date of reporting period, or
- Cash & cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

A liability is classified as current when it satisfies any of the following criteria

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the date of reporting period,
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period



The Company has identified 12 months as its operating cycle.

**(n) Statement of Cash Flows:**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of: (i) changes during the period in inventories and operating receivables and payables transactions of a non-cash nature; (ii) non-cash items such as depreciation, provisions, and (iii) all other items for which the cash effects are investing or financing cash flows. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

**(o) Project Development and Consultancy**

Company has appointed IPE Global as Project Development and Management Consultant for Strategic & Project Management. During the year, company has provided a sum of Rs 4,55,78,935/- payables to the consultants and same have been charged to profit & loss account as per the Smart Mission Guideline para 11.4 (ii).

**(p) Deferred tax**

The deferred tax is recognized only to the extent that there is a reasonable certainty that taxable profit will be available against which those deductible temporary timing differences can be utilised. Since the company will have no taxable profits in the future, thus deferred tax is not recognized in the books of accounts.

**(q) Related Party Disclosure**

A) List of Related Parties as on period ended March 31, 2020:

S. No.	Name of Person	Relation
1	Madhya Pradesh Urban Development Co. Limited	Holding Company
2	Pradeep Jain	CEO of the company (From Aug - 2019 to Jun-2020)
3	Juvan Singh Tomer	CFO of the company

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4	Manoj Maheshwari	Company Secretary of the company
5	Awadhesh Sharma	CEO of the Company (Till Aug-2019)

B) Following are the related party transaction carried out during the year:

## Transaction with KMPs

S. No.	Name of the Related Party	Nature of transaction	Relation	Amount paid during the current year	Amount paid during the previous year
1	Awadhesh Sharma	Salary	CEO of the Company (Till Aug-2019)	8,28,296	17,43,278
2	Pradeep Jain	Salary	CEO of the Company (From Aug-2019 to Jun 2020)	7,06,270	Nil
3	Juvan Singh Tomer	Salary	CFO of the Company (From July-2019 to Till Date)	8,29,559	Nil
4	Manoj Maheshwari	Salary	Company Secretary of the company	785169	6,60,000

C) Accounts of outstanding items pertaining to related parties at the balance sheet date:

S. No.	Name of the Related Party	Nature of transaction	Relation	Balance at the end of current year	Balance at the end of previous year
1	Pradeep Jain	Salary	CEO of the company	NIL	NIL
2	Juvan Singh Tomer	Salary	CFO of the company	NIL	NIL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3	Manoj Maheshwari	Salary	Company Secretary of the company	NIL	49,728
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FOR K.K. & COMPANY  
CHARTERED ACCOUNTANTS  
(FRN: 007691C)

(MANOJ GUPTA)

PARTNER

M.No. : 075574

FOR AND ON BEHALF OF  
UJJAIN SMART CITY LIMITED

ASHEESH SINGH  
CHAIRMAN

DIN - 07636828

KSHITIJ SINGHAL  
EXECUTIVE  
DIRECTOR

DIN - 08759533

JITENDRA SINGH  
CHOUHAN  
Chief Executive  
Officer

JUVAN SINGH  
TOMER  
Chief Finance  
Officer

MANOJ  
MAHESHWARI  
Company  
SECRETARY

M. No. - F-7878

Place :Ujjain

Date : 09/03/2021