



**SURAT SMART CITY
DEVELOPMENT LIMITED**

**ANNUAL REPORT FOR
FINANCIAL YEAR 2017-18**

To,
The Directors and Invitees
Surat Smart City Development Limited

SUB:- NOTICE OF THE 12th BOARD MEETING

Notice is hereby given that pursuant to Section 173 of the Companies Act, 2013 the 12th meeting of the Board of Directors of the SURAT SMART CITY DEVELOPMENT LIMITED will be held on Saturday, 02nd day of March, 2019 at ~~11:00am/pm~~ at Room No. 88, Surat Municipal Corporation, Muglisara, Surat.

The following agenda points will be taken on board for discussions:-

Item No.	Contents
1.	To grant leave of absence, if any
2.	To take note of the approved minutes of the 11 th meeting of the Board of Directors held on 17-12-2018.
3.	To take note of action taken in the matters finalized in the 11 th meeting of the Board of Directors held on 17-12-2018.
4.	To appoint Secretarial Auditor
5.	To take note of the Project Management Committee Meeting dated 13/02/2019
6.	To take Note of the HR Committee Meeting dated 13/02/2019
7.	Suppression of the resolution passed earlier for formation of Subsidiary of SURATi iLAB Foundation and To take note of the change in name of the company from "SURATi iLAB Foundation" to "AIC SURATi iLAB Foundation"
8.	Shifting of Register office from "SMART CITY CELL ROOM NO. 115, 3RD FLOOR SURAT MUNICIPAL CORPORATION Surat GJ 395003 IN" to "1st Floor, South Zone Office, Surat Municipal Corporation, Opp. Satyanagar, Udhna, Surat"
9.	Any other item with the permission of the Chair.

The detailed agenda papers for the discussion at the meeting are attached.
Please make it convenient to attend the said Board Meeting.

Thanking you,
For and on behalf of,
Surat Smart City Development Limited



C. Y. Bhatt
Chief Executive Officer

**AGENDA PAPERS FOR
THE TWELTH BOARD MEETING
SCHEDULED TO BE HELD
AT ROOM NO. 88, SURAT MUNICIPAL
CORPORATION, MUGLISARA, SURAT
ON SATURDAY THE 02nd DAY OF
MARCH, 2019 AT 11:00 A.M.**

AGENDA ITEM 1:

TO GRANT LEAVE OF ABSENCE TO ANY OF THE DIRECTORS, IF REQUIRED

AGENDA ITEM 2:

TO TAKE NOTE OF THE APPROVED MINUTES OF THE ELEVENTH MEETING OF BOARD OF DIRECTORS HELD ON 17/12/2018

The Eleventh Meeting of the Board of Directors of the Company was held on 17/12/2018 at Room No. 88, Surat Municipal Corporation, Muglisara, Surat. The minutes of the meeting was entered into minutes book of the company within 30 days as required under the Companies Act, 2013. Minutes of the Eleventh Board Meeting is attached herewith for perusal.

Considering above Board may pass the following resolution with or without modification;

"RESOLVED THAT, the Board takes note of the approved minutes of the meeting held on 07/09/2018 at Room No. 88, Surat Municipal Corporation, Muglisara, Surat."

AGENDA ITEM 3:**TO TAKE NOTE OF ACTION TAKEN REPORT IN THE MATTERS FINALIZED IN THE PREVIOUS BOARD MEETING**

The Board of Directors of the Company is to take a note on the matters finalized in the Eleventh Board Meeting held on 07/09/2018

ACTION TAKEN REPORT IN THE MATTERS FINALIZED IN THE ELEVENTH BOARD MEETING

Sr. No	Agenda No	Particulars	Action Taken
1.	1-3	1 to 3	Routine Agenda
2.	4	<i>Appointment of CFO and Resignation of CS</i>	<i>Necessary action taken</i>
3.	5	<i>Conversion of physical shares into Demate</i>	<i>Work is in process</i>
4.	6	<i>To Form a Corporate Social Responsibility Committee</i>	<i>Committee is Formed</i>
5.	7	<i>To form a Internal Compliant Committee</i>	<i>Committee is Formed</i>
6.	8	<i>To take note of a work done by HR committee</i>	<i>Noted</i>
7.	9	<i>To approve HR Policy</i>	<i>Approved</i>
8.	11	<i>To take note of the share subscribed by SSCDL in AIC SURAT iLAB Foundation</i>	<i>To suppress this in this meeting</i>
9.	12	<i>To take note of the work done by PMC</i>	<i>Noted</i>
10.	13	<i>To authorize a directors/CS of the company to file eforms with ROC</i>	<i>Authorized Shri. C Y Bhatt and necessary forms are filed</i>
11.	14	<i>To take note of the letter on changing authorized signatory under GST Regime</i>	<i>Noted</i>
12.	15	<i>To take note of the changes made in members of the Advisory Forum</i>	<i>Noted</i>

**AGENDA ITEM 4:
TO APPOINT SECRETARIAL AUDITOR**

As per section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following companies are required to obtain 'Secretarial Audit Report' from independent practicing company secretary;

- (1) Every listed company
- (2) Every public company having a paid-up share capital of Fifty Crore rupees or more; or
- (3) Every public company having a turnover of Two Hundred Fifty Crore rupees or more.

Paid up capital of our company is Rs. 100 Cr. Hence, our company shall appoint member of the Institute of Company Secretaries of India holding certificate of practice (company secretary in practice) to obtain Secretarial Audit Report of the Company.

Our Company appointed Mr. Arvindkumar Yadav from AKY and CO., Company Secretaries to conduct secretarial audit for 2017-18 he has express his willingness and gave consent to continue for next year as well. Hence for this year also it is proposed to appoint him with same terms and condition.

AGENDA ITEM 5:**TO TAKE NOTE OF THE MEETING OF PROJECT MANAGEMENT COMMITTEE**

Project Management Committee meeting of the company was held on 13/02/2019 at 10:30 AM at New Standing Committee Hall, SMC, Muglisara

The below agenda was discussed and passed by the committee.

અ.નં.	મુદ્દાઓ	કાર્યવાહી	પાના નં
૧.	સ્માર્ટ સીટી પ્રોજેક્ટ અંતર્ગત BRTS કોરીડોર અને અન્ય SMC લોકેશન માટે OFC નેટવર્ક ડિઝાઇન કરવા બાબત. (Ishan Infotech Ltd in Consortium with Ishan Netsol Pvt. Ltd)	મંજૂરી મળવા બાબત	૧
૨.	સુરત સ્માર્ટ સીટી અંતર્ગત સીટી બસ માટે Additional Intelligent Transit Management System ના કામે થર્ડ પાર્ટી ઈન્સ્પેક્શન માટે પ્રોજેક્ટ મેનેજમેન્ટ કન્સલ્ટન્સીની નિમણૂક બાબત. (ગ્રીન ડીઝાઇન એન્ડ એન્જીનીયરીંગ સર્વિસીસ - રૂ.૨,૨૧,૪૭૭.૧૯ + GST)	જાણમાં લેવા તથા કાર્યોત્તર મંજૂરી મળવા બાબત	૯
૩.	AFCS પ્રોજેક્ટ અન્વયે Self Ticketing Kiosk (Ticket Vending Machine) ઈમ્પ્લીમેન્ટ કરાવવા બાબત. (NEC Technologies India Pvt Ltd - Rs.3,60,000 + GST)	જાણમાં લેવા તથા કાર્યોત્તર મંજૂરી મળવા બાબત	૧૧
૪.	સાઉથ વેસ્ટ (અઠવા) ઝોન વિસ્તારમાં આવેલ ટી.પી. સ્કીમ નં.૩૬ (અલથાણ), ફા.પ્લોટ નં.૦૧ માં IT Mac Center બનાવવાના કામે એરીયા ડેવલોપમેન્ટ કરવાના કામના અંદાજ બાબત. (રૂ.૨૫,૬૪,૦૦૦.૦૦ નો ગ્રોસ અંદાજ)	અંદાજ મંજૂર કરવા બાબત	૧૩
૫.	સાઉથ વેસ્ટ (અઠવા) ઝોન વિસ્તારમાં આવેલ ટી.પી. સ્કીમ નં.૩૬ (અલથાણ), ફા.પ્લોટ નં.૦૧ માં IT Mac Center બનાવવાના કામે ફાયર ફાયટીંગ સીસ્ટમ કામના અંદાજ બાબત. (રૂ.૩૮,૧૬,૦૦૦.૦૦ નો ગ્રોસ અંદાજ)	અંદાજ મંજૂર કરવા બાબત	૧૫
૬.	સાઉથ વેસ્ટ (અઠવા) ઝોન વિસ્તારમાં આવેલ ટી.પી. સ્કીમ નં.૩૬ (અલથાણ), ફા.પ્લોટ નં.૦૧ માં IT Mac Center માટે ELV Infrastructure કામના અંદાજ મંજૂર કરવા બાબત. (રૂ.૩,૮૪,૧૮,૦૦૦.૦૦ નો ગ્રોસ અંદાજ)	અંદાજ મંજૂર કરવા બાબત	૧૭
૭.	સાઉથ વેસ્ટ (અઠવા) ઝોન વિસ્તારમાં આવેલ ટી.પી. સ્કીમ નં.૩૬ (અલથાણ), ફા.પ્લોટ નં.૦૧ માં IT Mac Center માટે HVAC કામના અંદાજ મંજૂર કરવા બાબત. (રૂ.૪,૭૬,૫૯,૦૦૦.૦૦ નો ગ્રોસ અંદાજ)	અંદાજ મંજૂર કરવા બાબત	૧૯
૮.	સાઉથ વેસ્ટ (અઠવા) ઝોન વિસ્તારમાં આવેલ ટી.પી. સ્કીમ નં.૩૬ (અલથાણ), ફા.પ્લોટ નં.૦૧ માં IT Mac Center માટે Electrical કામના અંદાજ મંજૂર કરવા બાબત. (રૂ.૫,૧૨,૭૯,૦૦૦.૦૦ નો ગ્રોસ અંદાજ)	અંદાજ મંજૂર કરવા બાબત	૨૧

૯.	સાઉથ વેસ્ટ (અઠવા) ઝોન વિસ્તારમાં આવેલ ટી.પી. સ્કીમ નં.૩૬ (અલથાણ), ફા.પ્લોટ નં.૦૧ માં IT Mac Center બનાવવાના કામે ઈન્ટીરીયર વીથ કલર કામના અંદાજ મંજૂર કરવા બાબત. (રૂ.૫,૫૨,૫૦,૦૦૦.૦૦ નો ગ્રોસ અંદાજ)	અંદાજ મંજૂર કરવા બાબત	૨૩
૧૦.	સુરત મહાનગરપાલિકાના વિવિધ સ્થાળોએ CCTV કેમેરા ઈન્સ્ટોલેશન તથા મેઈન્ટેનન્સની કામગીરી અન્વયે "Suman Eye (CCTV Network)" ના અમલીકરણ બાબતે કન્સલ્ટન્ટની નિમણૂંક અન્વયે કાર્યોત્તર મંજૂરી મળવા તથા DPR મંજૂર કરવા બાબત.	અંદાજ મંજૂર કરવા તથા કાર્યોત્તર મંજૂરી મળવા બાબત	૨૫
૧૧.	અન્ય કોઈ દરખાસ્ત ચેરમેનશ્રીની મંજૂરીથી સામેલ કરવામાં આવશે.	-	-

**AGENDA ITEM 6:
TO TAKE NOTE OF THE HR COMMITTEE MEETING**

HR Committee meeting of the company was held on 13/02/2019 at 10:30 AM at New Standing Committee Hall, SMC, Muglisara.

The below agenda was discussed and passed by the committee.

Sr. No.	PARTICULARS OF AGENDA
1.	To ascertain quorum and grant leave of absence
2.	To take note of minutes of the last HR Committee dated 14-12-2018
3.	To take decision on appointment of Company Secretary
4.	To take note of renewal of contractual appointment of Sr. Developer with increased consolidated pay
5.	Any other Agenda with the permission of the chair.

AGENDA ITEM 7:

**SUPPRESSION OF THE RESOLUTION PASSED EARLIER FOR FORMATION OF
SUBSIDIARY OF SURAT*i*LAB FOUNDATION**

*SURAT*i*LAB has earlier decided to form a new as a subsidiary Company, but later the company has decided to change its name only hence all the resolution passed and decisions made for the formation of new subsidiary shall now be suppressed and the company to take note that SURAT*i*LAB Foundation shall only change its name.*

AGENDA ITEM 8:
Shifting of Register office

As per MCA notification dated 21st February, 2019. Every Company Incorporated on or before the 31st December, 2017 shall file the particulars of the company and its registered office, in E-Form ACTIVE (Active Company Tagging Identities and Verification) on or before 25.04.2019.

Applicable on companies Incorporated on or before 31st December, 2017.

Requirements for E Form ACTIVE

1. **Registered Office Photograph with atleast one director who's Digital Signature will be affixed in the Form. Photograph will be required of External Building, Front office and Inside Office.**
2. Longitude and Latitude
3. Unique Email Id of the Company, as one time password (OTP) will be generated on Email Id for verification Purpose.

Hence Considering above it is proposed to change registered office of the company from "SMART CITY CELL ROOM NO. 115, 3RD FLOOR SURAT MUNICIPAL CORPORATION Surat GJ 395003 IN" to "1st Floor, South Zone Office, Surat Municipal Corporation, Opp. Satyanagar, Udhna, Surat"

Also take a note that for filing this E-form ACTIVE, DIN of All directors should be in Active mode (i.e. Director KYC is completed) with MCA and SRN details AOC-4, AOC-4 XBRL, & MGT-7 filed for FY 2017-18 is to be given (i.e Filing of Financial Statement and Annual Return is completed).

**AGENDA ITEM 9:
ANY OTHER ITEM WITH THE PERMISSION OF CHAIR**

Thanking you,
For and on behalf of,
Surat Smart City Development Limited



C. Y. Bhatt
Chief Executive Officer

SSCDL/Out./No./

Date:—

Director's Report

To
 The Members
 Surat Smart City Development Limited.

Your Directors have pleasure in presenting the 2nd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended, March 31, 2018. Further, in compliance with the Companies Act, 2013 the company has made all the requisite disclosures in this Board's Report with the objectives of accountability and transparency in its operations to make you aware about its performance and future perspective of the company.

1. FINANCIAL HIGHLIGHTS

PARTICULARS	2017-18 (in Rs.)	2016-17 (in Rs.)
Revenue from operations	-	-
Other Income	26,57,03,210	22,27,65,034
Total Income	26,57,03,210	22,27,65,034
Expenses:		
Project Management Consultant Fee	3,18,76,951	109,76,773
Administrative expenses	48,55,349	3210637
Employee Benefit Exp.	29,55,280	510638
Financial Costs	935	4,313
Depreciation and Amortization expense	67,62,381	32,71,128
Total Expense	4,64,50,896	1,79,73,489
Profit/Loss before Exceptional , Extra-ordinary Items and tax	21,92,52,314	2047,91,545
Profit/Loss before Taxation	21,92,52,314	20,47,91,545
Less : Provision for Taxation		
Current Tax	6,00,00,000	700,00,000
Deferred Tax		-
Profit/Loss after Taxation	15,92,52,314	1347,91,545

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

- For the financial year ended March 31, 2018, the Company has recorded strong revenue from other income and a good performance.
- The company is focused on current projects under smart city for easy and smooth implementation of the same.

3. DIVIDEND

The Company being an SPV, does not declare any dividend



4. AMOUNTS TRANSFERRED TO RESERVES

For the financial year ended March 31, 2018, your Company proposes to transfer the entire amount of profit to Reserves.

5. CHANGES IN SHARE CAPITAL, IF ANY

There has been no change/alteration in the share capital of the company.

6. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Company has formed one wholly owned Subsidiary SURATi iLab Foundation as Section 8 Company for promoting Start-up and Innovation.

7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

8. MATERIAL CHANGES AND COMMITMENTS

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

9. THE EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. **(Annexure: 1)**

10. MEETINGS OF THE BOARD OF DIRECTORS

Annual calendar of meeting of the Board is usually finalized after seeking concurrence of Chairman and Directors. The meetings are scheduled only if most of the directors agree for the same. In case any of the directors have a subsequent change of plan and are not available for the meeting, effort is made to re-schedule the meeting provided the other Directors are available and willing to re-schedule. During the Financial Year 2017-18, the Company held Three board meetings of the Board of Directors which is summarized as following

Sr. No.	Date of Meeting
1	27/06/2017
2	06/10/2017
3	22/02/2018



11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (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; and
- (e) Company being unlisted sub clause (e) of section 134(3) is not applicable.
- (f) 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.

12. STATUTORY AUDITORS and AUDIT REPORT

Pursuant to the provisions of Sec. 139 of the Act and rules framed there under, the Statutory Auditors M/s Natverlal Vepari & Co., Chartered Accountants (Firm Reg. Number 123626W), were appointed as Statutory auditors of the company to hold office up to the conclusion of ensuring Annual General Meeting (AGM). Their continuation of re-appointment and remuneration are to be confirmed and approved in the ensuring Annual General Meeting (AGM).

The Board of Directors recommends appointment of M/s Natvarlal Vepari & Co., Chartered Accountants (Firm Reg. Number 123626W), as statutory auditor of the company, to hold office from 2nd AGM till the conclusion of the 3rd AGM, subject to ratification of their appointment at every AGM.

They have confirmed their eligibility under section 141(1) of the Companies Act, 2013 and the Rules framed there under for the re-appointment of statutory auditors of the Company. The board has proposed for their ratification of appointment at AGM.

13. INTERNAL AUDITORS:

Pursuant to the provisions of Sec. 138 of the Act and rules framed there under, the Internal Auditors M/s S.K. Patodia & Associated, Chartered Accountants were appointed for the financial year 2018-19 in the Audit Committee meeting dated 21st Feb 2018.

14. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS

The comments on statement of accounts referred to in the report of the Auditors are self explanatory. There were no qualifications, reservations or adverse remarks made by the Auditors in their report.

15. LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.



16. RELATED PARTY TRANSACTIONS

During the year, the Company has not entered into any contract or arrangements with related parties which attracted the provisions of Section 188(1) of the Companies Act, 2013 except subscription of shares as per section 188(1)(g). Thus, disclosure in Form AOC-2 is not required.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy and Technology absorption

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

(B) Foreign exchange earnings and Outgo

Total Foreign Exchange Used/Earned (2017-18)	(Rs)
1. Foreign Exchange Outgo	
a) value of imports calculated on CIF basis:	
- Capital Goods	NIL
- Spare Parts	NIL
b) Expenditure:	
- Professional & Consultancy Fee	
- Interest	NIL
- Others	NIL
2. Foreign Exchange earned	
- Professional & Consultancy Fee	NIL
- Others	NIL

18. RISK MANAGEMENT

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

19. DEPOSITS

During the year the company has not accepted any deposits within the purview of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

20. CORPORATE SOCIAL RESPONSIBILITY

The company is Special Purpose Vehicle incorporated for the meeting the Government's vision of Smart Cities of India and therefore all the activities on regular basic are amounted to Corporate Social Responsibilities and all the amount / grant/income/revenue is meant for CSR and therefore no separate arrangement has been made in this regard. The Management regularly takes the matter into consideration and necessary steps to meet its Social Responsibilities towards the citizen.



21. ANNUAL EVALUATION

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination & Remuneration Committee to lay down the evaluation criteria for the performance of the Chairman, the Board, the Board Committees, and executive/non-executive/independent directors through a peer evaluation, excluding the directors being evaluated.

Independent Directors have three key roles - governance, control and guidance. Some of the performance indicators, based on which the independent directors, are evaluated include:

- The ability to contribute to and monitor our corporate governance practices.
- The ability to contribute by introducing international best practices to address business challenges and risks.
- Active participation in long-term strategic planning.
- Commitment to the fulfillment of a Director's obligations and fiduciary responsibilities; these include participation in the Board and committee meetings.

22. INDEPENDENT DIRECTORS AND DECLARATION

The provisions of Section 149 pertaining to the appointment of Independent Directors applies to the company and independent director has given declaration of their independence.

23. NOMINATION, REMUNERATION AND STAKEHOLDERS RELATIONSHIP COMMITTEE

According to Section 178(1) of the Companies Act, 2013, the company has constituted Nomination and Remuneration Committee (formally known as HR Committee) during the year under review which comprised of following members. Two meetings of the committee were held on 29/08/2017 and 03/02/2018,. But majority of them are not Independent Directors. The board of Director has taken all necessary steps to form committee consisting of majority of Independent Director.

DETAILS OF PERSON WHO CONSIST NOMINATION & REMUNERATION (HR) COMMITTEE MEMBERS:

1. Mr. Rajeshbhai Desai - Chairman
2. Mr. B I Dalal
3. Mr. C Y Bhatt
4. Mr. Persi. Engineer
5. Mr. Vejlibhai Sheta (Appointed on 30.10.2017)

24. AUDIT COMMITTEE

According to Section 177 of the Companies Act, 2013 the company's Audit Committee comprised of following members. Two meeting of the audit committee was held on 05th October 2017, 21st February, 2018 during the year. But majority of them are not Independent Directors. The board of Director has taken all necessary steps to form committee consisting of majority of Independent Director.

DETAILS OF PERSON WHO CONSIST AUDIT COMMITTEE MEMBERS:

1. Mr. Rajesh M. Desai
2. Mr. B I Dalal
3. Mr. Persi R. Engineer
4. Mr. Vejlibhai Sheta (Appointed on 30.10.2017)



25. SHARES

There is no change in shareholding ratio of the company except changes in the person holding the post who had subscribed for shares at inception of the company.

26. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The company has internal financial control system in place which is commensurate with its size and nature of business to ensure efficiency of operations, compliance with applicable laws and other statutory regulations as well as with internal controls, protection of resources and assets.

The internal financial control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures.

27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition and Redressal) Act, 2013:

Your company has always believed in providing a safe and harassment free workplace for every individual working in Companies premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

A policy on Prevention of Sexual Harassment at Workplace was at place during the financial year. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour.

During the year ended 31 March, 2018, the Company has received Nil complaints pertaining to sexual harassment.

No. of Complains received during the Year: Nil

No. of Complains Redressed during the Year: Not applicable

28. PARTICULARS OF EMPLOYEES:

The information required pursuant rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is not applicable as there were no employees falling under the criteria.

29. HUMAN RESOURCES:

The Company considers its employees as most important resources and asset. The Company ensures that safe working conditions are provided in the offices of the Company.

30. COMPLIANCES:

The Company has complied and continues to comply with all the applicable provisions of the Companies Act, 2013, Income Tax Act, 1961, Goods & Services Tax 2017, Finance Act, 1994, and all other applicable laws, rules/regulations/guidelines issued by the Regulatory Authorities from time to time.



31. SECRETARIAL AUDIT:

CS Arvindkumar Yadav of M/s AKY & CO- Company Secretaries in Practice was awarded Secretarial Auditor for the year 2017-18 against the Lowest quotation received. The comments on Secretarial Audit referred to in the report of the Secretarial Auditor are self explanatory. The Secretarial Audit report in Form MR-3 is attached as Annexure to the report.

Comments of Secretarial Auditor:

- 1) Only 3 Board Meeting have been held during the year and there is the gap between two board meetings exceeding 120 days during the year under review.*

Reply of Management:

The Company and Management has noted the same and taken all the necessary steps as may be required and necessary instruction will be issued to take care of the compliances. The Management makes sure such non-compliances does not repeat in future and as and when required suggestion from the secretarial auditor and other professional will be asked to guide for compliance and process.

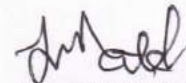
32. ACKNOWLEDGEMENT

We take the opportunity to express our deep sense of Gratitude to the Government Departments and Local Authority for their continued guidance and support. Our directors would like to record their sincere appreciation of their dedicated efforts put in by employees across all levels in the organization, which have enabled the company to start operations. And to our shareholders, we are deeply grateful for the confidence and faith that you have always placed on us.

For Surat Smart City Development Limited



Chaitanya Y. Bhatt
DIN : 07462947
(Director)



Jivanbhai M Patel
DIN : 07464092
(Director)

Date: 7/9/16
Place: Surat



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

SURAT SMART CITY DEVELOPMENT LIMITED

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 U74999GJ2016PLC091579
2	Registration Date 31/03/2016
3	Name of the Company Surat Smart City Development Limited
4	Category/Sub-category of the Company LIMITED BY SHARES INDIAN NON GOVERNMENT COMPANY
5	Address of the Registered office & contact details SMART CITY CELL ROOM NO. 115, 3RD FLOOR SURAT MUNICIPAL CORPORATION Surat GJ 395003 IN
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
1	Administration of the State and the economic and social policy of the community	841	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES				
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held
	Surati ilab Foundation (Sec-8) (Incrp. On 06/04/18)	U74999GJ2018NPL101685	WOS	100%

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 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]			
	Demat	Physical (IN CR.)	Total	% of Total Shares	Demat	Physical (IN CR.)	Total	% of Total Shares
A. Promoters								
(1) Indian								
a) Individual/ HUF				0.00%				0.00%
b) Central Govt			-	0.00%			-	0.00%
c) State Govt(s)		100	100	50.00%		100	100	50.00%
d) Bodies Corp.			-	0.00%			-	0.00%
e) Banks / FI			-	0.00%			-	0.00%
f) Any other (Local Body)		100	100	50.00%		100	100	50.00%
Sub Total (A) (1)	-	200	200	100.00%	-	200	200	100.00%



(2) Foreign								
a) NRI Individuals			-	0.00%			-	0.00%
b) Other Individuals			-	0.00%			-	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%
d) Any other			-	0.00%			-	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%
TOTAL (A)	-	200	200	100.00%	-	200	200	100.00%

B. Public Shareholding								
<i>Institutions</i>								
a) Mutual Funds			-	0.00%			-	0.00%
b) Banks / FI			-	0.00%			-	0.00%
c) Central Govt			-	0.00%			-	0.00%
d) State Govt(s)			-	0.00%			-	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%
f) Insurance Companies			-	0.00%			-	0.00%
g) FII's			-	0.00%			-	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%
i) Others (specify)			-	0.00%			-	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%

<i>Non-Institutions</i>								
a) Bodies Corp.								
i) Indian			-	0.00%			-	0.00%
ii) Overseas			-	0.00%			-	0.00%
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%
c) Others (specify)								
Non Resident Indians			-	0.00%			-	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%
Foreign Nationals			-	0.00%			-	0.00%
Clearing Members			-	0.00%			-	0.00%
Trusts			-	0.00%			-	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%
C. Sh held by Custodian for GDRs & ADRs			-	0.00%				0.00%
Grand Total (A+B+C)	-	200	200	100.00%	-	200	200	100.00%



(ii) Shareholding of Promoter							
SN	Promoter's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No. of Shares(IN CR.)	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares(IN CR.)	% of total Shares of the company	% of Shares Pledged / encumbered to total shares
1	Government of Gujarat(GOG)	10	50.00%	0	10	50.00%	0
2	Surat Municipal Corporation(SMC)	10	50.00%	0	10	50.00%	0
		20	100.00%		20	100.00%	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)						
SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year
				No. of shares	% of total shares	No. of shares
1	NIL					

(iv) Shareholding Pattern of top ten Shareholders						
<i>(Other than Directors, Promoters and Holders of GDRs and ADRs):</i>						
SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year
				No. of shares	% of total shares	No. of shares
NIL						

(v) Shareholding of Directors and Key Managerial Personnel:						
SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year
				No. of shares	% of total shares	No. of shares
NIL						



V. INDEBTEDNESS

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

(Amt. Rs.)

Particulars	Secured Loans excluding deposits(Short Term)	Unsecured Loans from Directors	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		-	-	-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition				-
* Reduction	-			-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount		-		-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)			-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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



B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors		
1	Independent Directors			
	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
	Total (1)	-	-	-
2	Other Non-Executive Directors			
	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	-
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Name	Mr. M.Nagarajan	Mr. Sharad Mehta
	Designation	CEO	CFO	CS
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the IT 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, pls specify (on contract based Appn)	NIL	5,44,000.00	5,12,000.00
	Total	-	5,44,000.00	5,12,000.00

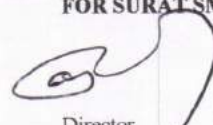
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

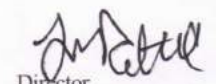
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
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COMPANY/DIRECTORS/OTHER OFFICERS IN DEFAULT

Penalty	179 and others	Late filing of e-forms	Additional fees as applicable	ROC (MCA)	NA
Punishment		-	-	-	-
Compounding		-	-	-	-

FOR SURAT SMART CITY DEVELOPMENT LIMITED


 Director
 Mr. C. Y. Bhatt
 DIN: 07462947


 Director
 Mr. Jivanbhai M. Patel
 DIN:07464092



FOR 2017-18

[MGT - 8]

[Pursuant to section 92(2) of the Companies Act, 2013 and rule 11(2) of Companies (Management and Administration) Rules, 2014]

OF

SURAT SMART CITY DEVELOPMENT LIMITED

CIN:U74999GJ2016PLC091579



अरविन्द कुमार यादव

कंपनी सचिव एवं ट्रेडमार्क अभिकर्ता

FORM NO. MGT-8

[Pursuant to section 92(2) of the Companies Act, 2013 and rule 11(2) of Companies (Management and Administration) Rules, 2014]

CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

We have examined the registers, records and books and papers of **SURAT SMART CITY DEVELOPMENT LIMITED** (the Company) as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder for the financial year ended on **31/MAR/2018**. In our opinion and to the best of my information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, We certify that:

1. The Annual Return states the facts as at the close of the aforesaid financial year correctly and adequately.
2. During the aforesaid financial year the Company has complied with the provisions of the Act & Rules made thereunder in respect of its status under the Act.
3. During the aforesaid financial year the Company has complied with the provisions of the Act & Rules made thereunder in respect of maintenance of registers and records & making entries therein within the time prescribed therefor.
4. During the aforesaid financial year the Company has complied with the provisions of the Act & Rules made thereunder in respect of filing of forms and returns as stated in the annual return, with the Registrar of Companies, Regional Director, Central Government, the Tribunal, Court or other authorities within the prescribed. *For filing of eforms beyond prescribed time period, additional penalty fee has been paid.*
5. During the aforesaid financial year the Company has complied with the provisions of the Act & Rules made thereunder in respect of calling/ convening/ holding meetings of Board of Directors or its committees, if any, and the meetings of the members of



कार्यालय: ३०४-२९ सेंचुरी बिज़नेस सेंटर, वर्ल्ड ट्रेड सेंटर के पास, रिंग रोड, सूरत ३९५००२ गुजरात

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the company on due dates as stated in the annual return in respect of which meetings, proper notices were given and the proceedings including the circular resolutions and resolutions passed by postal ballot, if any, have been properly recorded in the Minute Book/registers maintained for the purpose and the same have been signed. *However, Only 3 Board Meeting have been held during the year and there is the gaps between board meetings exceeding 120 days during the year under review.*

6. The Company has not closed the Register of Members/Security holders as the case may be during the aforesaid financial Year.
7. During the aforesaid financial year the Company has complied with the provisions of section 185 of the Act & Rules made thereunder as the Company has not advanced any loan or book debt to any of its directors and to persons, firms and companies referred in section 185 of the Act and not given any guarantee or provided any security in connection with any loan taken by him or such other person.
8. During the aforesaid financial year the Company has complied with the provisions of the Act & Rules made thereunder in respect of contracts/arrangements with related parties as specified in section 188 of the Act.
9. There were no issue, allotment, transfer, transmission, Buy Back of securities, redemption of preference shares, debentures, alteration, reduction of share capital, conversion of Shares/securities and issue of security certificates during the aforesaid financial year.
10. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
11. During the aforesaid financial year, the Company has not declared / paid any dividend and not transferred any unpaid / unclaimed dividend / other amounts as applicable to Investor Education and Protection Fund.
12. The Financial Statements and Report of Director of the Company have been signed as per the provisions of section 134 and sub sections (3), (4) and (5) thereof.



13. The Board of Directors of the Company is duly constituted. There was appointment / reappointment / ~~filling up casual vacancies of directors~~ / Key Managerial Personnel (on Contractual basic) at the remuneration after complying with the provisions of the Acts & Rules made thereunder during the aforesaid financial year.
14. The appointment / reappointment / ~~filling up casual vacancies~~ of auditors were done during the aforesaid financial year after complying with the provisions of section 139 of the Act & rules made thereunder.
15. The company was not required to obtain any approvals from the Central Government, Tribunal, Regional Director, Registrar, Court and/or such authorities prescribed under the various provisions of the Act during the aforesaid financial year.
16. The Company has not accepted / renewed / repaid any deposits during the aforesaid financial year.
17. During the aforesaid financial year the Company has not made any borrowings from its directors, members, public financial institutions, banks and others.
18. During the aforesaid financial year the Company has not provided any loans and investments or guarantees or securities to other bodies corporate or persons falling under the provisions of section 186 of the Act.
19. The Company has not altered any of the provisions of Memorandum and/ or Articles of Association during the aforesaid financial year



For **AKY & CO.**
Company Secretaries

(CS ARVIND KUMAR YADAV)
ICSI Unique Code: I2013GJ993400
ICSI M. No.: F 9042; COP: 11596
Regd. TM Attorney Code: 32321

Place: Surat (Gujarat)

Date: 07.09.2018

Remark:

Major Shareholders of the Company are Government of Gujarat (GOG) and Surat Municipal Corporation (SMC). However, various person holding post under the GOG and SMC has been authorised to subscribe the Memorandum of Association and Article of Association on behalf of them and they have been considered as Shareholders of the Company.

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

SURAT SMART CITY DEVELOPMENT LIMITED

CIN: U74999GJ2016PLC091579



अरविन्द कुमार यादव

कंपनी सचिव एवं ट्रेडमार्क अभिकर्ता

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
SURAT SMART CITY DEVELOPMENT LIMITED
CIN: U74999GJ2016PLC091579
115, Smart City Cell, Surat Municipal Corporation,
Muglisara, Main Road, Surat, Gujarat 395003

1. I have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **SURAT SMART CITY DEVELOPMENT LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **SURAT SMART CITY DEVELOPMENT LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 ("**Audit Period**"), generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

2. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **SURAT SMART CITY DEVELOPMENT LIMITED** for the financial year ended on March 31, 2018, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

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कार्यालय: ३०४-२१ सेंचुरी बिज़नेस सेंटर, वर्ल्ड ट्रेड सेंटर के पास, रिंग रोड, सुरत ३९५००२ गुजरात
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(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **[Not applicable during the Audit Period]**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **[Not applicable during the Audit Period]**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **[Not applicable during the Audit Period]**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **[Not applicable during the Audit Period]**

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Continue...



कार्यालय: ३०४-२१ सेंचुरी बिज़नेस सेंटर, वर्ल्ड ट्रेड सेंटर के पास, रिग रोड, सूरत ३९५००२ गुजरात

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कंपनी सचिव एवं ट्रेडमार्क अभिकर्ता

3. Other laws applicable to the Company as per the representations made by the Management.
4. I have also examined compliance with the Secretarial Standard I and Secretarial Standard II issued by the Institute of Company Secretaries of India (ICSI) were applicable to the Company for the period under review and The Listing Agreements entered into by the Company with Stock Exchange(s), is not applicable;
5. I further report that
 - 1) The Board of Directors of the Company is duly constituted of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - 2) Adequate notice (**By Hand Delivery mode**) is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings, as represented by the management, were taken unanimously. **However, Only 3 Board Meeting have been held during the year and there is the gap between two board meetings exceeding 120 days during the year under review.**
 - 3) The Company has obtained all necessary approvals under the various provisions of the Act, if applicable; and
 - 4) There was no prosecution initiated and no fines (except for the additional fee paid by the Company for delay in filing of the necessary eForms with the Ministry of Corporate Affairs) or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

Continue...



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कंपनी सचिव एवं ट्रेडमार्क अभिकर्ता

- 5) We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
6. I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Internal Auditor/Statutory Auditors and other designated professionals
7. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines
8. I further report that during the period under review, as explained and represented by the management, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs.



AKY & CO.
Company Secretary

(CS ARVIND KUMAR YADAV)
ICSI Unique Code: I2013GJ993400
ICSI M. No.: F7642; COP: 11596
Regd. M. Attorney Code: 32321

Noted and taken on record

For Surat Smart City Development Ltd.

Managing Director/CEO

Place: Surat (Gujarat)

Date: 07.09.2018

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

कार्यालय: ३०४-२१ सेंचुरी बिज़नेस सेंटर, वर्ल्ड ट्रेड सेंटर के पास, रिंग रोड, सूरत ३९५००२ गुजरात

Mobile +91 99099 65432 || Office: +91 261 4897877 || Email : akyco@outlook.com



अरविन्द कुमार यादव

कंपनी सचिव एवं ट्रेडमार्क अभिकर्ता

Annexure A

To

The Members

SURAT SMART CITY DEVELOPMENT LIMITED

CIN: U74999GJ2016PLC091579

115, Smart City Cell, Surat Municipal Corporation,
Muglisara, Main Road, Surat, Gujarat 395003

Our report of even date is to be read along with this letter.

- a. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



for **AKY & CO.**
Company Secretaries

(**CS ARVIND KUMAR YADAV**)
ICSI Unique Code: I2013GJ993400
ICSI M. No. F9642; COP: 11596
Regd. TM Attorney Code: 32321

Place: Surat

Date: 07.09.2018

कार्यालय: ३०४-२१ सेंचुरी बिज़नेस सेंटर, वर्ल्ड ट्रेड सेंटर के पास, रिंग रोड, सूरत ३९५००२ गुजरात

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NATVARLAL VEPARI & CO.

Chartered Accountants

PAN : AADFN5448E

1st Floor, River Palace-II, Near Navdi Ovara, Nanpura, Surat 395 001. | www.vepari.com

Tel. : +91 261 246 3636 | Fax : +91 261 246 3634 | E-mail : vepari@youtele.com

To the Members of Surat Smart City Development Limited

Report on the Indian Accounting Standard Financial Statements

We have audited the accompanying Indian Accounting Standard financial statements of **Surat Smart City Development Limited**, which comprise the Balance Sheet as at March 31, 2018, Profit and Loss account, Statement of changes in equity and the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Indian Accounting Standard Financial Statements

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

We conducted our audit of the Indian Accounting Standard financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Indian Accounting Standards financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in of the Indian Accounting Standard financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Indian Accounting Standards 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 Indian Accounting Standards financial statements that give a 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 in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Indian Accounting Standards financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a

basis for our audit opinion on the financial statements.

Opinion


In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Indian Accounting Standards 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 31st March, 2017, and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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, Profit and Loss, Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Indian Accounting Standard financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Forming an Opinion and Reporting on Financial Statements
For Natvarlal Vepari & Co.
Chartered Accountants
FRN:123626W

Place : SURAT
Date : 07/09/2018


Hiren R. Vepari
Partner
Membership No. 102680

Surat Smart City Development Limited

ANNEXURE 'A' TO AUDIT REPORT


(As referred to in our Report of even date)

- (i) (a) The company has maintained proper records showing full particulars and situation of fixed asset.
- (b) We are informed that the fixed asset has been physically verified by the management.
- (c) The immovable property is vested in the name of the company.
- (ii) There being no Inventories, clause (ii) of the Order is not applicable to the company.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013 and therefore clauses 3 (iii) (a), (b) & (c) of the Order are not applicable to the Company.
- (iv) According to the information provided, the company has not entered into any transaction in respect of loans, investments, guarantees and security. Therefore, the clause 3 (iv) of the Order is not applicable to the company.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Consequently, the clause 3 (v) is not applicable to the Company.
- (vi) The maintenance of cost records under section 148(1) of the Companies Act, 2013, is not applicable to the Company.
- (vii) (a) Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (b) According to the records made available to us and the information and explanations given by the management, there are no disputed statutory dues on account of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited on account of matters pending before appropriate authorities.
- (viii) According to the records made available to us and, the information and explanations given by the management, the Company has not borrowed funds from any financial institution or bank or Government or issued debentures till 31st March, 2018. Consequently, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or Government or debenture holders does not arise.
- (ix) In our opinion and according to the information and explanations given to us, the company neither has raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans, nor has any unutilised amount as on the 1st day of the financial year out of moneys raised during the earlier years on this account. Accordingly, the

- provisions of Clause 3 (ix) are not applicable to the Company.
- (x) According to the records and information and explanations provided by the management, we report that no fraud on or by the company has been noticed or reported during the course of audit.
- (xi) According to the records verified and, information and explanations provided by the management, the company has not paid or provided for the managerial remuneration during the period. Therefore, the clause (xi) of the Order does not become applicable to the Company.
- (xii) The Company not being a Nidhi company, the clause 3 (xii) of the Order is not applicable to the company.
- (xiii) According to the records verified and, information and explanation provided to us, the company has not entered into a contract or arrangement with its related parties during the year with respect to Sec. 188 during the year, therefore, the clause 3 (xiii) of the Order is not applicable to the company.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore, the clause 3 (xiv) of the Order is not applicable to the company.
- (xv) The company or its directors have not entered into an arrangement for acquisition of assets for consideration other than cash, therefore the clause (xv) of the Order is not applicable to the company.
- (xvi) According to the information and explanation provided by the management, the company is not engaged in the business which is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, therefore the clause 3 (xvi) of the Order does not become applicable to the company.

**Forming an Opinion and Reporting on Financial Statements
For Natvarlal Vepari & Co.
Chartered Accountants
FRN:123626W**

Place : SURAT
Date : 07/09/2018


Hiren R. Vepari
Partner
Membership No. 102680

Surat Smart City Development Limited

ANNEXURE 'B' TO AUDITOR'S REPORT PERIOD ENDED 31-3-2018

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 **Surat Smart City Development Limited** as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for the Financial Statements

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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

**Forming an Opinion and Reporting on Financial Statements
For Natvarlal Vepari & Co.
Chartered Accountants
FRN:123626W**

Place: SURAT
Date: 07/09/2018



Hiren R. Vepari
Partner

Membership No. 102680

SURAT SMART CITY DEVELOPMENT LIMITED

Balance sheet as at March 31, 2018

Particulars	Note no.	As at 31 st March, 2018	As at 31 st March, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	199,42,196	157,84,102
Capital work-in-progress	3	26380,09,264	1095,48,821
		26579,51,460	1253,32,923
Current assets			
Financial assets			
- Trade and other receivables	4	1368,75,619	1059,74,977
- Cash and cash equivalents	5	17912,93,676	39314,38,697
- Other Financial Assets	6	28,000	10,50,000
		19281,97,295	40384,63,673
TOTAL ASSETS		45861,48,755	41637,96,596
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	7	20000,00,000	20000,00,000
Other Equity	7.1	2940,43,859	1347,91,545
Share application money pending allotment		-	-
Equity attributable to owners of the Company		22940,43,859	21347,91,545
Non-current liabilities			
Other non-current liabilities	8	18499,61,749	19154,53,973
		18499,61,749	19154,53,973
Current liabilities			
Financial liabilities			
- Trade and other payables	9	40,46,688	201,75,057
Other current liabilities	10	3080,96,459	233,76,020
Provisions	11	1300,00,000	700,00,000
		4421,43,147	1135,51,078
TOTAL EQUITY AND LIABILITIES		45861,48,755	41637,96,596
Significant Accounting Policies	1		
Notes forming part of Financial Statements	1-26		

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants.
Firm Reg. No. 123626W


Partner

Date: 07/09/2018
Place: SURAT

For and on behalf of Surat Smart City Development Ltd.

Director/CEO


(1) Chaitanya Bhatt
(DIN : 07462947)

Director


(2) Jivanbhai Patel
(DIN : 07464092)

Date: 07/09/2018
Place: SURAT

SURAT SMART CITY DEVELOPMENT LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note no.	2017-2018 (Rs)	2016-2017 (Rs)
Revenue			
Revenue from operations	12	-	-
Other income	13	2657,03,210	2227,65,034
Total revenue		2657,03,210	2227,65,034
Expenses			
Project Management Consultant Fee	14	318,76,951	109,76,773
Employee benefit expense	15	29,55,280	5,10,638
Finance cost	16	935	4,313
Depreciation and amortisation expense	17	67,62,381	32,71,128
Administrative Expenses	18	48,55,349	32,10,637
Total expenses		464,50,896	179,73,489
Profit/ (loss) before exceptional items and tax		2192,52,314	2047,91,545
Profit/ (loss) before tax		2192,52,314	2047,91,545
Tax expense			
a) Current tax		600,00,000	700,00,000
b) Deferred tax		-	-
Profit/ (loss) for the period from continuing operations		1592,52,314	1347,91,545
Profit/ (loss) from discontinued operations		-	-
Tax expense of discontinued operations			
Profit/ (loss) from discounting operations (after tax)		1592,52,314	1347,91,545
Profit/ (loss) for the period		1592,52,314	1347,91,545
Other comprehensive income			
- Items that will not be reclassified to profit or loss		-	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-
- Items that will be reclassified to profit or loss		-	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
Total comprehensive income for the period (Profit/ loss + other comprehensive income)		1592,52,314	1347,91,545
Earnings per equity share (for continuing operations)			
a) Basic, computed on the basis of profit from continuing operations		0.80	0.67
b) Diluted, computed on the basis of profit from continuing operations		0.80	0.67
Earnings per equity share (for discontinued operations)			
a) Basic			
b) Diluted			
Earnings per equity share (for discontinued & continuing operations)			
a) Basic		0.80	0.67
b) Diluted		0.80	0.67

Notes forming a part of Financial Statements 1-26

As per our report of even date

For Natvarlal Venari & Co.
Chartered Accountants.

Firm Reg. No. 123626W



Partner

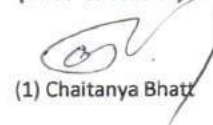
Date: 07/09/2018

Place: SURAT

For and on behalf of Surat Smart City Development Ltd.

Director/CEO

(DIN : 07462947)



(1) Chaitanya Bhatt

Director

(DIN : 07464092)



(2) Jwanbhai Patel

Date: 07/09/2018

Place: SURAT

Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

1. Corporate Information:

Surat Smart City Development Limited (herein referred to as "the Company") is a public company domiciled and incorporated in India under the Companies Act, 2013 ('the Act'). The registered office of the company is at 115, Smart City Cell, Surat Municipal Corporation, Muglisara, Surat. The company has been formed as a Special Purpose Vehicle under Smart City Mission of the Government of India for implementation of smart city projects in Surat. The Company was incorporated on March 31, 2016. The first Ind AS financial statements of the company are presented for the period March 31, 2016 to March 31, 2018 as per the requirements of the Act.

2. Significant accounting policies:

Significant accounting policies adopted in preparation and presentation of the accounts are as under:

(A) Statement of Compliance and Basis of Accounting:

(i) Statement of Compliance with Ind AS

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Ministry of "Corporate Affairs" (MCA) has notified a roadmap to implement Ind AS. As per the said roadmap, the Company is required to apply Ind AS starting from the financial year beginning April 1, 2017. Accordingly, the first Ind AS financial statements is for the financial year 2017-18 with comparable for the financial year 2016-17. The Company has adopted all the Ind AS and the adoption was carried out in accordance with

For Natvarlal Vepari & Co.,
Chartered Accountants,


(Hiren R. Vepari)
Partner


(1) Chaitanya Bhatt
Director/CEO


(2) Nvanbhai Patel
Director

Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

Ind AS 101, "First time adoption of Indian Accounting Standards". The date of transition to Ind AS is March 31, 2016. The transition was carried out from Accounting Principles generally accepted in India (previous GAAP).

(ii) Historical Cost Convention

The financial statements have been prepared on historical cost basis, except for the certain financial assets and liabilities which are measured at fair values at the end of each reporting period.

(B) Other Income:

Revenue is recognised on accrual basis of accounting. The company recognises interest income as its revenue when the amount of interest can be reliably measured and it is probable that future economic benefits will flow to the entity. Interest income is calculated by using the *effective interest rate* to the *gross carrying amount of the financial asset*, which is the rate that exactly discounts estimated future cash receipts through the expected life of financial asset to that asset's net carrying amount on initial recognition.

(C) Fair Value Measurement:

The Company measures certain financial instruments at fair value at each balance sheet date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the

For Natvarlal Vepari & Co.,
Chartered Accountants,



(Hiren R. Vepari)
Partner



(1) Chaitanya Bhatt
Director/CEO



(2) Jivanbhai Patel
Director

Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or;
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.


(D) Financial Instruments:

A Company recognizes financial assets and financial liabilities when it becomes party to the contractual provision of the instrument

For Natvarlal Vepari & Co.,
Chartered Accountants,



(Hiren R. Vepari)
Partner



(1) Chaitanya Bhatt
Director/CEO



(2) Jivanbhai Patel
Director

Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

(i) **Financial Assets:**

a) **Initial recognition and measurement:**

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at Fair Value Through Statement of Profit and Loss Account) are added to or deducted from the fair value of the concerned financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair through Statement of Profit and Loss are recognized immediately in Statement of Profit and Loss. However, trade receivable that do not contain a significant financing component are measured at transaction price.

b) **Subsequent measurement:**

For subsequent measurement, the company classifies financial asset in following broad categories:

- Financial asset carried at amortized cost.
- Financial asset carried at Fair Value Through other comprehensive income (FVTOCI)
- Financial asset carried at Fair Value Through Profit and Loss (FVTPL)

Financial asset carried at amortized cost (net of any write down for impairment, if any):

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset giving rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized costs using Effective Interest Rate (EIR)

For Natvarlal Vepari & Co.,
Chartered Accountants,



(Hiren R. Vepari)
Partner



(1) Chaitanya Bhatt
Director/CEO



(2) Jivanbhai Patel
Director

Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

method less impairment, if any. The losses arising from impairment are recognized in the Statement of Profit and Loss. Cash and bank balances, trade receivables, loans and other financial asset of the company are covered under this category.

Under the EIR method, the future cash receipts are discounted to the initial recognition value using EIR. The cumulative amortization using the EIR method of the difference between the initial recognition amount and maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at amortized cost at each reporting date. The corresponding effect of the amortization under EIR method is recognized as interest income over the relevant period of the financial asset. The same is included under "other income" in the Statement of Profit and Loss. The amortized cost of the financial asset is also adjusted for loss allowance, if any.

Financial asset carried at FVTOCI:

Financial asset under this category is measured initially as well as at each reporting date at fair value, when asset is held with a business model whose objective is to hold asset for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the Other Comprehensive Income.

Financial asset carried at FVTPL:

Financial asset under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognized in the Statement of Profit and Loss.

c) De-recognition:

A financial asset is primarily derecognized when rights to receive cash flows from the asset have expired or the Company has transferred its

For Natvarlal Vepari & Co.,
Chartered Accountants,



(Hiren R. Vepari)
Partner



(1) Chaitanya Bhatt
Director/CEO



(2) Jivanbhai Patel
Director

Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

d) Impairment of Financial Assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'

(ii) Financial Liabilities:

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Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

a) Initial recognition and Measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Company classifies all financial liabilities as subsequently measured at amortised cost or at FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

b) Subsequent Measurement:

Financial liabilities at Fair Value Through Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at Fair Value Through Profit and Loss. Interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortization is included as finance costs in the Statement of Profit and Loss.

c) De-recognition of Financial Liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are

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Note 1 to the Financial Statements for the financial year 2017-2018

substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of Financial Instruments:

Financial assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(iv) Derivative Financial Instruments:

Derivative Financial Instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of heading instrument is recognized in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(E) Operating Segment and its reporting:

Reporting is made to the Chief Operating Decision Makers ('Shareholders' being the local body and the State Government) for the purpose of resource allocation and assessment of segment focuses on the types of public welfare projects undertaken by the Company. The Company undertakes various projects for the public welfare as per the Smart City Mission Statement and Guidelines, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable segment.

(F) Accounting for Government Grants:

Grants related to assets are Government Grants whose primary condition is that an entity qualifying for them should purchase, construct or acquire long-term

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Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

assets. Grants related to income are government grants other than those related to assets. As per Ind AS 20 "Accounting for Government Grants and Disclosure for Government Assistance" accounting of the Government grants has been done in following manner:

(i) Grants related to Assets (Capital Grants)

Grants related to purchase, construction or acquisition of long term assets are recognised only when the same are received and conditions related to the same are fulfilled. Grants are initially recognised as 'non-current liabilities' under the head 'Capital Grants at fair value. The said grants related to purchase, construction or acquisition of long term depreciable assets are recognised in Statement of Profit and Loss over the periods and in the proportions in which depreciation expense on those assets is recognised.

(ii) Grants related to meet the revenue Expenses (Revenue Grants):

Government Grants, which are revenue in nature are recognised in Statement of Profit and Loss on a systematic basis over the period in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

A Government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in Statement of Profit and Loss of the period in which it becomes receivable.

(G) Taxation:


Current Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in 'Other Comprehensive Income' or directly in the equity, in which case, the current are also recognised in 'Other comprehensive Income' or directly in equity respectively.

(H) Cash and cash equivalents:

For Natvarlal Vepari & Co.,
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Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

Cash and cash equivalents includes cash on hand, other short term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. It consists of balances with bank which are unrestricted to withdrawals and usage.

(I) Property, Plant and Equipments:

(i) Deemed Cost of assets on transition to Ind AS:

On transition to Ind AS, the company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (March 31, 2016).

(ii) Depreciation method, estimated useful lives and residual value:

Depreciation on the Fixed Assets is provided based on the useful life of the assets as provided under Schedule II to the Companies Act, 2013 after retaining the residual value of the asset. The useful life is determined based on the evaluation, taking into account the nature of assets, the operating conditions of the assets, technological changes, etc. The residual values are not more than 5% of the original cost of the assets. The assets residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

(iii) Capital work in progress and condition related to its conversion to the Property Plant and Equipment:

Capital work in progress (CWIP) comprises of cost of acquisition of assets, duties, levies and any cost directly attributable to bringing the asset to its working condition for the intended use. Expenditure incurred on project under implementation is treated as incidental expenditure incurred during construction and is allocated to the assets which is subsequently allocated

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Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

/ apportioned on completion of the entire project. The conversion of the any item of capital work in progress is done only after receiving confirmation related to the project completion.

(J) Provisions and Contingent Liabilities and Contingent Assets:

a) Provisions:

Provisions are recognized when the company has present obligation (legal or constructive) as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense related to a provision is presented in the Statement of Profit and Loss net of any reimbursement/contribution towards provision made.

If the effect of the time value of money is material, estimate for the provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

b) Contingent Liability:

Contingent liability is disclosed in the case;

- When there is a possible obligation which could arise from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or;
- A present obligation that arises from past events but is not recognized as expense because it is not probable that an outflow of resources

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Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

embodying economic benefits will be required to settle the obligation or;

- The amount of the obligation cannot be measured with sufficient reliability.

c) Commitments:

Commitments include the value of the contracts for the acquisition of the assets net of advances.

d) Contingent Assets:

Contingent asset is disclosed in case a possible asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(K) Earnings per share:

(i) Basic earnings per share:

As per Ind AS 33 "Earnings per share", basic earnings per share is calculated by dividing:

- The profit attributable to the owners of the company
- By the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share:

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

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Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.
- There being no portion of dilutive shares in the company, only Earnings per Share is calculated.

(L) Cash Flow Statement:

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transaction of non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

(M) Current versus Non-Current Classification:

The company presents assets and 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 realized 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 realized within 12 months after the date of reporting period, or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

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

- It is expected to be realized or intended to be sold or consumed in normal operating cycle.

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Surat Smart City Development Limited

Note 1 to the Financial Statements for the financial year 2017-2018

- it is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period current liabilities include the current portion of long term financial liabilities.

The company classifies all other liabilities as non-current.

Signature to Schedules 1 to 26

For NATVARLAL VEPARI & CO.
CHARTERED ACCOUNTANTS
Firm Registration No: 123626W



Hiren R Vepari
Partner
Membership No. 102680

Date: 07/09/2018
Place : SURAT

For and on behalf of
SURAT SMART CITY DEVELOPMENT LIMITED

(1) Chaitanya Bhatt

(Director - DIN:07462947)

(2) Jivanbhai Patel

(Director - DIN:07464092)

Date: 07/09/2018
Place : SURAT

SURAT SMART CITY DEVELOPMENT LIMITED


Note no. 2

Property, Plant and Equipment

Particulars	Computer Equipments	Office Equipments	Electronic Equipments	Electrical Installations & Equipments	Furniture & Fittings	Total
Gross Block						
As at March 31, 2016	-	-	-	-	-	-
Add: Addition	9,66,754.00	4,400.00	151,23,248.00	3,50,902.00	26,09,927.00	190,55,231.00
Less: Disposals	-	-	-	-	-	-
As at March 31, 2017	9,66,754.00	4,400.00	151,23,248.00	3,50,902.00	26,09,927.00	190,55,231.00
Add: Addition	102,75,327.00	-	-	-	6,45,148.00	109,20,475.00
Less: Disposals	-	-	-	-	-	-
As at March 31, 2018	112,42,081.00	4,400.00	151,23,248.00	3,50,902.00	32,55,075.00	299,75,706.00
Accumulated Depreciation						
As at March 31, 2016	-	-	-	-	-	-
Add: Charge for the year	5,094.00	98.00	32,51,785.00	2,111.00	12,041.00	32,71,129.00
Less: Disposals	-	-	-	-	-	-
As at March 31, 2017	5,094.00	98.00	32,51,785.00	2,111.00	12,041.00	32,71,129.00
Add: Charge for the year	28,07,486.00	1,935.00	30,66,308.00	90,090.00	7,96,562.00	67,62,381.00
Less: Disposals	-	-	-	-	-	-
As at March 31, 2018	28,12,580.00	2,033.00	63,18,093.00	92,201.00	8,08,603.00	100,33,510.00
Net carrying amount						
As at March 31, 2017	9,61,660.00	4,302.00	118,71,463.00	3,48,791.00	25,97,886.00	157,84,102.00
As at March 31, 2018	84,29,501.00	2,367.00	88,05,155.00	2,58,701.00	24,46,472.00	199,42,196.00

For Natvarlal Vepari Co.,
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SURAT SMART CITY DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

3 Capital Work-in-progress	As at 31 st March 2018	As at 31 st March 2017
Water Tank	2097,63,404	59,76,403
Other Building	217,29,027	-
Roads, Streets & Pavements	5381,48,544	-
Street Lights & Cables	58,84,000	-
Waterlines	3171,50,985	-
Hydraulic Plant & Machinery	75,00,000	-
Sewage & Drainage (Plant & Machinery)	14418,73,069	389,20,880
Computer Equipments	32,07,893	32,07,893
Electronic Equipments	783,96,351	470,87,654
Electrical Equipments	143,55,991	143,55,991
Total	26380,09,264	1095,48,821

4 Trade & Other receivables	As at 31 st March 2018	As at 31 st March 2017
Interest Accrued on Deposits	1,98,927	380,49,114
Pre-payments	9,69,049	9,69,049
TDS Receivable	402,35,294	177,56,814
Indirect Taxes Receivable	28,16,069	-
Advance Income Tax	926,56,280	492,00,000
Total	1368,75,619	1059,74,977

5 Cash and Bank Balances	As at 31 st March 2018	As at 31 st March 2017
Current Cash and Bank Balance		
Imprest (Petty) cash in hand	25,000	9,255
Balance in Current Accounts with Scheduled Bank	9907,55,509	1644,29,441
Balances with banks in fixed deposit accounts with original maturity of less than 3 months	4000,00,000	1270000000
Balances with banks in fixed deposit accounts with original maturity of more than 3 months	4000,00,000	2497000000
Other Bank Balances		
HDFC Bank (Headquarter)	5,13,166	-
Total	17912,93,675	39314,38,696

6 Other Financial Assets	As at 31 st March 2018	As at 31 st March 2017
Advance to Suppliers	28,000	10,50,000
Total	28,000	10,50,000

7 Equity Share Capital	As at 31 st March 2018	As at 31 st March 2017
Equity Share Capital		
Authorised Share capital (20,00,00,000 shares of Rs 10/- each)	20000,00,000	20000,00,000
Issued Share capital (20,00,00,000 shares (P.Y 20,00,00,000) of Rs 10/- each)	20000,00,000	20000,00,000
Subscribed & Fully Paid up capital (20,00,00,000 (P.Y 20,00,00,000) shares of Rs 10/- each)	20000,00,000	20000,00,000
Total	20000,00,000	20000,00,000

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled for one vote per share held.

SURAT SMART CITY DEVELOPMENT LIMITED

NOTE 7.1 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Reserve and Surplus	Items of Other Comprehensive Income	Total Impact on Other Equity
	Retained Earnings		
As on 31st March 2017			
Balance as at 31.03.2016	-	-	-
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	-	-	-
Total Comprehensive Income for the year	1347,91,545	-	134791545
Dividends	-	-	-
Tax on Dividends	-	-	-
Transfer to retained earnings	-	-	-
Balance at the end of the reporting period 31.03.2017	1347,91,545	-	1347,91,545
As on 31st March 2018			
Balance as at 01.04.2017	1347,91,545	-	1347,91,545
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	1347,91,545	-	1347,91,545
Total comprehensive income for the year	1592,52,314	-	1592,52,314
Dividends	-	-	-
Transfer to retained earnings	-	-	-
Any other change (to be specified)	-	-	-
Balance at the end of the reporting period 31.03.2018	2940,43,859	-	2940,43,859

For Natvarlal Vepari Co.,
Chartered Accountants,



(Hiren R. Vepari)
Partner



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SURAT SMART CITY DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

7.1 Other Equity	As at 31 st March 2018		As at 31 st March 2017	
	Reserve & Surplus			
Opening Balance		1347,91,545		-
Profit/(Loss) for the period		1592,52,314		1347,91,545
Total		2940,43,859		1347,91,545

The details of Shareholders holding 5% and above shares	As at 31 st March 2018		As at 31 st March 2017	
	Number of Shares	% held	Number of Shares	% held
Surat Municipal Corporation	1000,00,000	50%	1000,00,000	50%
Government of Gujarat	1000,00,000	50%	1000,00,000	50%

8 Other Non- Current Liabilities	As at 31 st March 2018		As at 31 st March 2017	
	Deferred Income - Capital Grants received from Government of India. (Refer Note 8.1)		18499,61,749	
Revenue Grant- A & OE Fund (Net of Company Incorporation (Refer Note 8.2))		-		654,92,224
Total		18499,61,749		19154,53,973

8.1 The Smart City Projects (SCPs) are segmented into various smaller project units for ease of administration. All the project units are integrated with each other and can be considered as functional in totality only after completion of the full project. A single segment of any project will not capitalised as a fixed asset till all the segmented parts of an entire project are completed. In the current financial year, no such entire single project as a whole was completed and hence no amount from the Capital Work in progress has been transferred to the Property Plant and Equipment relating to the capital projects. In absence of the same, no part of the deferred income – Capital Grant is recognised / deferred in the Profit and Loss account which was otherwise required to be recognised on the basis of useful life of the asset. Accordingly, all the projects under construction and development have been shown under the head "Capital Work in progress" in the Balance Sheet.

8.2 As per Surat Smart City Mission Guidelines, the initial Company Incorporation Expense is to be written off against the A & OE grant fund received during the first year. Initially amount remaining after writing of such expenses were to be amortised over period of five years, starting from the first financial year. Since in the current financial year, expenses for which the grant was provided exceeded the amount of grant provided, the balance unamortised amount remaining in the A & OE Fund has been recognised in the Profit and Loss Account as Income as per the matching concept.

9 Trade and Other Payables	As at 31 st March 2018		As at 31 st March 2017	
	Total Outstanding dues to Micro, Small and Medium		-	
Total Outstanding of creditors other than Micro, Small and		40,46,688		201,75,057
Total		40,46,688		201,75,057

10 Other Current Liabilities	As at 31 st March 2018		As at 31 st March 2017	
	Security Deposit from Suppliers & Contractors		253,59,544	
Retention Money Deposit from Suppliers		2321,63,288		5,10,099
Earnest money deposit from contractors		376,20,000		203,60,000
Other Deposits		1,16,036		-
TDS Payable		109,18,195		18,51,146
Indirect Taxes Payable		3,10,441		1,91,566
Construction cess payable		16,08,955		89,015
Total		3080,96,459		233,76,020

11 Provisions	As at 31 st March 2018		As at 31 st March 2017	
	Provision for Tax		1300,00,000	
Total		1300,00,000		700,00,000

SURAT SMART CITY DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

12	Revenue from Operations	As at 31st March 2018	As at 31st March 2017
	Revenue from operations		-
	Total	-	-
13	Other Income	As at 31st March 2018	As at 31st March 2017
	Interest on fixed deposits with bank	1976,09,120	2044,51,195
	Collections of Tender Form Fees	7,28,934	1,62,000
	Amortisation of A & O E Fund (Refer Note 8.2)	654,92,224	163,73,056
	Scrap Sale	319	-
	Performance related penalty from contractors	18,72,613	17,78,783
	Total	2657,03,210	2227,65,034
14	Project Management Consultant Fee	As at 31st March 2018	As at 31st March 2017
	Project Costs	318,76,951	109,76,773
	Total	318,76,951	109,76,773
15	Employee Benefit Expense	As at 31st March 2018	As at 31st March 2017
	Salary, wages, including bonus	29,55,280	5,10,638
	Total	29,55,280	5,10,638
16	Financial Costs	As at 31st March 2018	As at 31st March 2017
	Bank charges & Commission	935	4,313
	Total	935	4,313
17	Depreciation and Amortization Expense	As at 31st March 2018	As at 31st March 2017
	Depreciation for the year	67,62,381	32,71,128
	Total	67,62,381	32,71,128
18	Administrative Expenses	As at 31st March 2018	As at 31st March 2017
	Rent on vehicles hired	89,202	9,522
	GST Charges	10,700	-
	Late payment/Interest expense	1,11,329	-
	Postage & Telegram Expense	6,738	318
	Telephone Expense	29,754	9,552
	Printing & Stationery Expense	91,010	3,03,495
	Local Conveyance Expense	19,841	1,250
	Travelling Allowance	69,316	2,380
	Audit Fee	4,00,000	4,60,000
	Consultancy Fee	6,06,307	6,46,070
	Registration Charges	4,39,312	5,43,205
	Repair & Maintenance Expense	34,745	-
	License Fee	-	6,560
	Publicity & Advertisement	10,00,213	76,763
	Books, Periodical & Newspaper Expense	77,843	1,684
	Seminar & Symposiums	9,68,346	4,55,463
	Staff Training Expense	-	34,500
	Awards- Public contest Expense	-	5,30,000
	Consumable Store	-	9,239
	Other Office Expense	9,00,692	1,20,636
	Total	48,55,349	32,10,637

19 FIRST-TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the Ind AS financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended March 31, 2017. The company was incorporated on March 31, 2016 according to which there were no adjustments required to be made in the opening Ind AS Balance Sheet compared to the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

- I Ind AS 101 deals with First time adoption of Indian Accounting Standards which allows exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. On transition, the Company has availed / adopted the following exemptions / exception as per Ind AS 101:

a) Property, Plant and Equipment

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

b) Derecognition of financial assets and financial liabilities

The Company has elected to use the exemption for derecognition of financial assets and liabilities prospectively.

c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess the classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

d) Estimates

As per Ind AS 101, the company's estimates in accordance with Ind AS as at the date of transition to Ind AS as at the end of comparative period presented in the company's first Ind AS financial statements, as the case may be, should be consistent with the estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in the accounting policies. As per Ind AS 101, where application of Ind AS requires a company to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of comparative period. The company's estimates under Ind AS are consistent with the above requirement where applicable.

e) Standards issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

e.1) Issue of Ind AS 115-Revenue from Contracts with Customers

Ind AS 115 supersedes the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

e.2) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

Ind AS 40 - Investment Property

Ind AS 12 - Income Taxes

Ind AS 28 - Investments in Associates and Joint Ventures and

Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Ind AS Financial Statements.

- f) In terms of paragraph 40A of Ind AS 1, with no accounting policy having been applied retrospectively requiring any re-statement of items of financial or re-classification to the date of transition to Ind AS, the third Balance Sheet being the most anterior is not given.

SURAT SMART CITY DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

19 FIRST-TIME ADOPTION OF IND AS

Impact of transition to IND AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial period for the periods previously reported under Indian GAAP following the date of transition to IND AS.

II Reconciliations of Balance Sheet as at March 31, 2017:

				(Rs. in Lakhs)
Particulars	Note	Amount as per	Effects of	Amount as per
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment		158	-	158
(b) Capital work-in-progress		1,095	-	1,095
(2) Current assets				
(a) Financial assets				
(i) Trade & Other Receivables	A	-	1,060	1,060
(ii) Cash and cash equivalents		39,314	-	39,314
(iii) Other financial assets	A	1,060	-1,049	11
(iv) Loans & Advances	A	11	-11	-
Total Assets		41,638	-	41,638
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital		20,000	-	20,000
(b) Grant Funds	A	19,155	-19,155	-
(c) Other equity		1,348	-	1,348
(2) Non-current liabilities				
(a) Other Non Current Liabilities	A	-	19,155	19,155
(3) Current liabilities				
(a) Financial liabilities				
(i) Trade & Other Payables	A	-	202	202
(b) Other current liabilities	A	1,136	-902	234
(c) Provisions	A	-	700	700
Total Equity and Liabilities		41,638	-	41,638

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

For Natvarlal Vepari Co.,
Chartered Accountants,


(Hiren R. Vepari)
Partner


(1) Chaitanya Bhatt
Director/CEO


(2) Jivanbhai Patel
Director

SURAT SMART CITY DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

III Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

(Rs. in Lakhs)

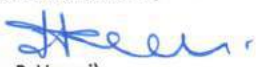
Particulars	Note	Amount as per	Effects of	Amount as per
Income:				
Revenue from Operations		-	-	-
Other Income		2,227.65	-	2,227.65
Total Income		2,227.65	-	2,227.65
Expenses:				
Project Management Consultant Fee		109.77	-	109.77
Finance costs		0.04	-	0.04
Depreciation, Amortisation and Obsolescence		32.71	-	32.71
Administrative Expenses	A	37.21	(5.11)	32.11
Employee benefits expense		-	5.11	5.11
Total Expenses		179.73	-	179.73
Profit before tax		2,047.92	-	2,047.92
Tax expenses:				
Current tax		700.00	-	700.00
Deferred tax		-	-	-
Total Tax Expense		700.00	-	700.00
Profit after tax for the year		1,347.92	-	1,347.92
Other Comprehensive Income				
Items that will not be reclassified to profit and loss				
Re-measurement on defined benefit plans		-	-	-
Income tax effect on above		-	-	-
Total Other comprehensive income		-	-	-
Total Comprehensive Income for the year		1,347.92	-	1,347.92

Reconciliation of Total Equity:

(Rs. in Lakhs)

Particulars	Note	March 31, 2017	March 31, 2016
Equity as per previous Indian GAAP		21,347.92	-
Adjustments:			
Purchases Prior Period Adjustment		-	-
Reversal of Excess Gratuity		-	-
Previous years depreciation reversals		-	-
Tax adjustment on the above items		-	-
Total adjustment to equity		-	-
Total equity under Ind-AS		21,347.92	-

For Natvarlal Vepari Co.,
Chartered Accountants,


(Hiren R. Vepari)
Partner


(1) Chaitanya Bhatt
Director/CEO


(2) Jivanbhai Patel
Director

A. Reclassification:

Other adjustments on account of transition to Ind AS include reclassification of items of assets, liabilities and taxes to appropriate line items of Ind-AS balance sheet prescribed under Schedule III to the Companies Act, 2013.

B. Other comprehensive income:

Under Ind AS, all items of income and expense recognized in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' will include fair valuation of investment in equity shares and mutual fund, remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

C. Statement of cash flows:

The transition from Indian GAAP to Ind AS does not have a material impact on the statement of cash flows.

For Natvarlal Vepari Co.,
Chartered Accountants,


(Hiren R. Vepari)
Partner


(1) Chaitanya Bhatt
Director/CEO


(2) Jivanbhai Patel
Director

SURAT SMART CITY DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

20 FAIR VALUE MEASUREMENT

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

Particulars	Carrying value of the financial		Fair value of the financial	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial Assets at amortized cost	-	-	-	-
Financial Assets at amortized cost				
Trade receivables	1,368.76	1,059.75	1,368.76	1,059.75
Cash and cash equivalents	17,912.94	39,314.39	17,912.94	39,314.39
Other financial Assets	0.28	10.50	0.28	10.50
Financial liabilities at amortized				
Government Grants	18,499.62	19,154.54	18,499.62	19,154.54
Financial liabilities at amortized				
Trade Payables	40.47	201.75	40.47	201.75
Other Current Liabilities	233.76	3,080.96		
Provisions	1,300.00	700.00	1,300.00	700.00

For Natvarlal Vepari Co.,
Chartered Accountants,



(Hiren R. Vepari)
Partner



(1) Chaitanya Bhatt
Director/CEO



(2) Jivanbhai Patel
Director

SURAT SMART CITY DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

21	Payment to Auditors (Net of GST)	Figure for the current reporting period (Rs)		Figure for the previous reporting period (Rs)	
	As Auditors:	4,00,000		4,60,000	
	As Advisor in other capacity				
	Company Law Matter	-		2,30,000	
	Taxation Matter	2,06,487		3,738	
	Total		6,06,487		6,93,738

22 There are no Micro and Small Enterprises, to whom the company owes dues as at 31st March, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

23 Related Party Disclosures

23.1	List of related parties with relationships:	For The Current reporting	For The Previous reporting
		Name of Related Parties	Name of Related Parties
	Relationships		
	Subscriber to Share Capital	Surat Municipal Corporation	Surat Municipal Corporation

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

23.2	Transactions during the year with Related Parties:	Figures for the Current reporting period	Figures for the Previous reporting period
		Amount	Amount
	Nature of Transactions		
	Subscription to Share Capital	-	10000,00,000

24	Earning Per Share	Figures for the Current	Figures for the Previous
	Particulars		
	Net Profit after Tax as per the Statement of Profit	Rs 15,92,52,314	Rs 13,47,91,545
	Number of Equity shares used as denominator for	20,00,00,000	20,00,00,000
	Basic Earning Per Share (EPS)	0.80	0.67
	Face Value per Equity share	Rs 10/-	Rs 10/-

For Natvarlal Vepari Co.,
Chartered Accountants,


(Hiren R. Vepari)
Partner


(1) Chaitanya Bhatt
Director/CEO


(2) Jivanbhai Patel
Director

SURAT SMART CITY DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

25 Capital Commitment as at 31.03.2018

Estimated Cost of projects which have initiated as at 31.03.2018	Cumulative amount expensed off upto the end of year	Balance Amount considered as capital commitment (as at
Rs 2654,47,00,000	Rs 257,04,52,525	Rs 2397,42,47,476

26 Note on Accounting for Government Grants and Disclosure of Government Assistance

An Exposure Draft relating to Ind AS 20 "Accounting for Government Grants and disclosure of Government Assistance" was issued by the Institute of Chartered Accountants of India on 24th January, 2018 regarding draft amendments to be made in Ind AS 20. However, the exposure draft is effective from 1st April, 2018 only if the same is further notified by the Ministry of Corporate Affairs. Hence, in the current financial year, the same has not been made applicable in the financial statements.

As per our report of even date

For Natvarlal Vepari & Co.
Chartered Accountants
FRN : 123626W


Partner

Date: 07/09/2018
Place: SURAT

For and on behalf of Surat Smart City
Development Ltd.

Director/CEO
(DIN : 07462947)

(1) Chaitanya Bhatt

Director
(DIN : 07464092)

(2) Manbhai Patel

Date: 07/09/2018
Place: SURAT

SURAT SMART CITY DEVELOPMENT LIMITED

Cash Flow Statement for the year ended 31st March, 2018

Particulars	31.03.2018		31.03.2017	
(A) Cash Flow from Operating Activities:				
Net profit/(loss) before tax and Extraordinary items:		2192,52,314		2047,91,545
Adjusted for:				
Add:				
Depreciation		67,62,381		32,71,128
Finance Cost		935		4,313
Operating Profit before Working Capital Changes		2260,15,630		2080,66,986
Adjusted for:				
(Increase)/Decrease in Trade and Other Receivables	(715,00,643)		(1551,74,977)	
Increase/(Decrease) in Trade Payables & other liabilities	2685,92,069		435,51,078	
Advance to suppliers	10,22,000	1981,13,427	(10,50,000)	(1126,73,899)
Cash Generated from Operations before prior period item		4241,29,057		953,93,087
Tax Paid		406,00,000		492,00,000
Net Cash Generated from/ (used in) Operations		4647,29,057		1445,93,087
(B) Cash Flow from Investing Activities:				
Purchase of Fixed Assets		(109,20,475)		(190,55,231)
Increase in Capital WIP		(25284,60,443)		(1095,48,821)
Preliminary & Preoperative Expenses				-
Net Cash Generated from Investing Activities		(25393,80,918)		(1286,04,052)
(C) Cash Flow from Financing Activities:				
Finance Cost		(935)		(4,313)
Preliminary Expense written off		(654,92,224)		
Proceeds from Share Capital and grants		-		39154,53,973
Net Cash Generated from/ (used in) used in Financing Activities		(654,93,159)		39154,49,660
Net (Decrease)/Increase in Cash and Cash Equivalents		(21401,45,021)		39314,38,695
Cash and Cash Equivalents at the beginning of the year		39314,38,695		-
Cash and Cash Equivalents at the end of the year		17912,93,674.66		39314,38,695

Figures in brackets shows outflow



Additional Information:

- 1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow statement issued by the
- 2 Figures in brackets represent outflows

For Natvarlal Vepari & Co.
Chartered Accountants.


Partner.

For and on behalf of Surat Smart City
Development Ltd.

(1) Chaitanya Bhatt (2) Jivanbhai Patel
 
Director/CEO Director
(DIN : 07462947) (DIN : 07464092)

Date: 07/09/2018
Place: SURAT

Date: 07/09/2018
Place: SURAT