

4TH ANNUAL REPORT

**HUBBALLI-DHARWAD SMART CITY
LIMITED**

NOTICE OF THE 4TH ANNUAL GENERAL MEETING

Notice is hereby given that the 4th Annual General Meeting of the members of HUBBALLI-DHARWAD SMART CITY LIMITED (“The Company”) will be held on Wednesday, 29th day of December, 2021 at 6.15 PM at shorter notice at Room No. 122, Vikasa Soudha, Bengaluru - 560001, and through KSWAN Video conference mode in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No.20/2020 dated 5th May,2020, 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements for the financial year ended 31st March 2021, together with the reports of the Board of Directors and the Auditors and Comments of the Comptroller & Auditor General of India thereon.
2. To fix the remuneration of M/s. F.N.HONNABINDAGI & CO, Chartered Accountants (FRN 007301S) the Statutory Auditors of the company for the Financial Year 2021-2022 in terms of the provisions of section 142 of the Companies Act, 2013.
3. To appoint a Director in place of Sri. Ravi Kumar Surpur IAS (DIN: 06695585), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri. Reju M T IAS (DIN: 09001848), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Sri K P Mohan Raj IAS (DIN: 06965604), who retires by rotation and being eligible, offers himself for re-appointment.

6. To appoint a Director in place of Sri. Nitesh Patil, IAS (DIN: 08904068), who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint a Director in place of Sri. Suresh Itnal IAS (DIN: 08578554), who retires by rotation and being eligible, offers himself for re-appointment.
8. To appoint a Director in place of Smt. M.S.Archana, IAS (DIN:09430506), who retires by rotation and being eligible, offers herself for re-appointment.
9. To appoint a Director in place of Sri. Raj Kumar Gautam (DIN: 08060297), who retires by rotation and being eligible, offers himself for re-appointment.

**For and on behalf of the Board
Hubballi-Dharwad Smart City Limited**

Sd/-
Sri. Pavan Pise
Company Secretary

Place: Bangalore

Date: 29.12.2021

Notes:

1. In view of the covid-19 pandemic, the Ministry of corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General circular No.20/2020 dated May 5, 2020 (collectively "MCA circulars"), permitted companies to conduct Annual General Meeting (AGM) through video conferencing (vc) or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of companies Act, 2013 the 3'd AGM of the company is being convened and conducted through VC.
2. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 3rd AGM is being held through VC as per the MCA circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 3rd AGM and hence the proxy form is not annexed with this Notice.
3. The attendance of the Members attending the AGM through Video Conferencing will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 and the attendance of the members shall be reckoned accordingly. No separate attendance form is being enclosed with the notice.



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HUBBALLI DHARWAD



ಸ್ಮಾರ್ಟ್ ಸಿಟಿ ಲಿಮಿಟೆಡ್
SMART CITY LIMITED



Special Purpose Vehicle for Implimentation of Smart City Project
(Registered Company No. CIN : U74999KA2017 PLC 101265)

4. Incorporated bodies shareholders intending to send their authorized representative to attend the meeting are requested to bring a duly certified true copy of resolution of the board of directors/power of attorney, authorizing such person to attend and vote on its behalf at the meeting, pursuant to Section 113 of the Companies Act, 2013.
5. The documents related to matters set out in the notice shall be open for inspection at the registered office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days up to and including the date of Annual General meeting of the Company.
6. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed herewith.
7. The place of the AGM for the statutory purposes shall be the registered office of the Company and the AGM is being held through VC, the route map is not annexed to this Notice.

For and on behalf of the Board
Hubballi-Dharwad Smart City Limited

Sd/-

Sri. Pavan Pise
Company Secretary

DIRECTORS' REPORT

To,
The Members,
HUBBALLI-DHARWAD SMART CITY LIMITED

Your directors have pleasure in presenting the third Annual Report on the business and operations of the company together with the Audited Financial Statements for the financial year ended 31st March 2021.

1. Financial Highlights

During the year, performance of your company is as under:

(In Rs.)

PARTICULARS	31/03/2021	31/03/2020
Total Turnover	-	-
Other Income	24,63,937	2,40,602
Total Expenditure	69,71,077	84,69,865
Profit / (Loss) before taxation	(45,07,140)	(82,29,263)
Less: Tax Expense	Nil	Nil
Profit/(loss) after tax	(45,07,140)	(82,29,263)

2. Status of Project

During the financial period of 2020-21, HDSCCL has the following status on Smart City projects:

Hubballi Dharwad Smart City Limited- STATUS OF PROJECTS															
Sl.no	Name of the Project	SCP Cost in Cr	DPR/ W O Cost	DPR Approved Date by TC	TS Date by SPV GM (Tech)	Tender Notification Date	Date of Tender Receipt	Name of Contractor	W.O Date	Work Completeion Date	EOT	Financial Expenditure Till Date	Status Components Completed till Date	Status Work in progress	Status Components yet start
Completed Projects															
1	Smart School	2.5	1.17	-	15.09.2018	25.01.2019	14.02.2019	M/S Ninerich Infotech, Bengaluru	08.03.2019	30.10.2019		0.97	Completed . 1st Year O&M Completed		
2	Smart Healthcare	4.5	3.06	-	15.09.2018	25.01.2019	14.02.2019	M/S Ninerich Infotech, Bengaluru	08.03.2019	30.10.2019		2.55	Completed . 1st Year O&M Completed		
3	M G Park Phase- I (musical fountain)	5.0	4.67	-	14.02.2019	27.02.2019	02.05.2019	BNA Technology, Manglore.	03.08.2019	14.09.2020		3.48	Completed		
4	Solid Waste Management (Supply of 15 no of Garabage Auto Tippers & Supply of 03 No of Jetting Machines)	3.21	3.84	-	24.07.2019	19.09.2019	24.10.2019	1. Continental Engineers 2. Sadhana Enviro	23.03.2020	30.06.2020		2.58	Completed		
5	Renovation of Core Markets - Janta Bazaar Package (A) Rehabilitation of 200 Kattas	0.3	0.940	-	16.02.2019	16.02.2019	30.03.2019	Rio Green Environ (India) ASTS	06.08.2019	22.11.2020		0.91	Completed		
6	MSME Industrial Estate - Infrastructure Facility (Total road length 2.12 Km)	15.03	18.4	17.12.2018	13.02.2019	13.02.2019	22.04.2019	B S Biradar	10.06.2019	30.01.2021		15.88	Completed		
7	MG Park: Redevelopment of Glass House	5	3.1	-	18.03.2020	18.03.2020	28.04.2020	M/S Sanjay Marketing, Bangalore	21.07.2020	20.01.2021		1.68	Completed		
8	Puzzle Parking with Smart Parking	5	4.59	11.02.2019	13.02.2019	13.02.2019	22.04.2019	Ram Ratan Infrastructure, Mumbai	29.06.2019	31.01.2021		3.20	Completed		
9	Establishment of QC Laboratory	0.85	0.85	-	30.09.2019	04.12.2019	04.01.2020	M/s. Mahesh Vaddar	02.03.2020	31.01.2021		0.56	Completed		
10	Development of ICCCC (Package - 01 Civil)	4.5	4.91	-	30.07.2018	01.08.2018	07.10.2018	Souhardha Infra Tech Ltd	04.01.2019	10.02.2021		4.56	Completed		
11	ICCC- Services	5	3.62	-	15.12.2018	15.12.2018	23.01.2019	I C India Pvt Limited	27.06.2019	10.02.2021		2.68	Completed		
12	Creating & Maintaining SPV Website	0.015	0.015	-	01.07.2017	01.07.2017	06.07.2017	S.I.TECH SOLUTIONS, Hubballi	14.07.2017	21.07.2017		0.01	Completed		
13	Smart Toilet (e-toilet)	1.01	1.01	-	30.11.2018	01.12.2017	23.01.2018	M/s Eram Scientific Pvt Ltd	24.03.2018	25.03.2019		1.01	Completed		
14	Desilting of Rajnalla (North)	0.937	0.937	-	25.02.2018	26.02.2018	11.03.2018	SANKAGOULDASHANI M S	21.05.2018	26.09.2018		0.82	Completed		
15	Desilting of Rajnalla (South)	0.8	0.8	-	25.02.2018	26.02.2018	11.03.2018	S R RAJU	23.05.2018	19.09.2018		0.77	Completed		
16	Sanitary Napkin Vending Machine	0.16	0.13	-	03.08.2018	04.08.2018	15.09.2018	M/s Eva Traders, Chennai	25.10.2018	19.12.2018		0.13	Completed		
17	Rain Water Harvesting	0.37	0.37	-	29.01.2018	30.01.2018	15.02.2018	N.H. Talewad	23.07.2018	25.12.2018		0.28	Completed		
18	Redevelopment of Swimming Pool at Hubballi	2.43	3.03	-	30.07.2018	01.08.2018	07.10.2018	MAS Constructions Ltd., Mangaluru	27.12.2018	30.11.2019		2.21	Completed		
19	ICCC- Room Interior	5	3.27	-	27.11.2018	28.11.2018	05.01.2019	M/S Sanjay Marketing, Bangalore	23.02.2019	31.03.2021		2.47	Completed		
20	Smart Roads Package-04 New Roads (Total road length - 2.07 Km)	37	20.58	09.10.2018	10.10.2018	11.10.2018	28.11.2018	J M Construction, Bidar	04.02.2019	31.03.2021		14.04	Completed		
21	Basic Services to Urban Poor (BSUP) Package-01 (67 Roads) Road Length-7.25km	22.5	31.14	17.09.2018	17.09.2018	11.10.2018	28.11.2018	Balajikrupa, Bengaluru	04.02.2019	15.06.2021		29.25	Completed		
22	Cycles4Change Challenge (Project funded by DULT Bangalore)	0.26	0.26	-	13.11.2020	13.11.2020	04.12.2020	M/S Sanjay Marketing, Bangalore	22.01.2021	16.08.2021		0.26	Completed		
23	Redevelopment of Unkal Market	2.3	2.03	-	27.06.2019	27.06.2019	11.09.2019	SKS Karkala Infra Project Pvt Ltd	05.10.2019	31.08.2021		1.23	Completed		
24	Supply and Installation of CCTV poles	0.57	0.408	-	19.12.2019	20.12.2019	31.01.2020	M/S Trinity Technologies	12.03.2020	11.10.2021		0.37	Completed		
25	Renovation of Core Markets - Old City Veg Market B: Rehabilitation of Kattas and Shops	0.75	0.58	-	24.07.2019	19.09.2019	05.10.2019	Santosh baburao Rokhade	08.01.2020	31.08.2021		0.58	Completed		
		124.99	113.45									92.48			
Ongoing Projects															
1	Smart Roads Package-05 New Roads Scope Road Length: 2.3 Kms	37.6	31.39	09.10.2018	10.10.2018	11.10.2018	28.11.2018	Balajikrupa, Bengaluru	04.02.2019	04.02.2020	EOT1: 03.02.2021 EOT2: 31.07.2021 EOT3: 31.10.2021	24.44	Road cutting & Subgrade laying: 2300 m GSB laying : 2300 m Utility Duct: 3990 m 7way Multi Duct: 3260 m DWC laying : 3260 m Sewer pipe laying : 3700 m Storm pipe laying : 4020 m Sewer Chambers : 135 Nos. Storm water Chamber : 152 Nos. HT/LT Chambers : 50 Nos Street light pole foundation: 60 Nos. DLC: 1380m PQC: 1380m	1.Reinforcement for utility duct raft & wall:60m 2.Sewer line pipe laying : 300m 3.Kerbstone fixing 4.Road Work: WMM,DBM,BC 5.Chambers cover fixing 6.Landscape & Hardscape	1.Road signage marking

2	Smart Roads Package-06 New Roads Road Length: 3.05 Kms	27.7	37.719	09.10.2018	10.10.2018	11.10.2018	28.11.2018	Balajikrupa, Bengaluru	04.02.2019	04.02.2020	EOT1: 03.02.2021 EOT2: 31.07.2021 EOT3: 31.12.2021	25.22	Road cutting & Subgrade laying: 2350 m GSB laying : 2030 m WMM : 2030 m Utility Duct: 4933 m 7way Multi Duct: 4545m DWC laying : 4485m Sewer pipe laying : 4620m Storm pipe laying :4630m Sewer Chambers : 214 Nos. Storm water Chamber : 212 Nos. HT/LT Chambers : 88 Street light pole foundation: 170 Nos. Feeder pillar : 51 Paver fixing: 3200m Kerb stone: 5610m	Road cutting & Subgrade laying: 500 m WMM Laying 450 m Kerb Stone Fixing: 310M Utility Duct: Raft & wall:100m Sewer line pipe laying : 400m Storm Water pipe laying: 500m Sewer, Storm & HT/LT chambers	Road Work (DBM & BC) Landscape & Hardscape Street light poles Feeder Pillar
3	Basic Services to Urban Poor (BSUP) Package-03 (35 Roads) Road Length-5.911Km	33	31.31	02.11.2018	26.11.2018	25.01.2019	14.02.2019	C A Biradar	04.06.2019	03.06.2020	EOT1: 31.03.2021 EOT2: 30.11.2021	25.84	1.Electrical work for School no.1 & 5 2. LT chambers- 120 nos 3. Feeder Pillars foundation- 125nos 4. Street light foundation- 200nos 5. Drain wall- 10870m 6. Drain slab- 11000m 7. PHC flooring 8. DWC pipe 160mm - 15600m 9. DWC pipe 50mm - 23830m 10. 7-way Multiduct- 7560m 11. PHC RCC Slab, compound wall completed 12. Paver block laying - 2030m out of 2240m 13. Road Reconstruction by Asphaltting - 1860m out of 2440m 14. Overlay of DBM, BC- 1320m out of 1320m	1. Paver blocks laying at utility corridor at Road No. 13 2. Street light and HSC cable laying at road 13 & 19 3. LT cable laying at road 19 4. Grit Chambers at road 36 5. Laying of GSB & WMM at road no 19 6. Light & Feeder Pillar foundation at road no 06, 15, 19 7. Feeder Pillar charging at road no 13, 23 and 18 8. Street light pole erection at road no. 36, 13, 14, 9	1. BC for road no. 19 2. Paver block work at road no 6, 7 & 8 (UGD issue)
4	Basic Services to Urban Poor (BSUP) Package-02 (69 Roads) Road Length-6.59 Km	27	42	02.11.2018	26.11.2018	17.10.2019	04.12.2019	C A Biradar	20.02.2020	19.02.2021	EOT1: 09.09.2021 EOT2: 31.12.2021 (Submitted)	17.00	1. Storm Drain work: 10 Km Completed 2. Total roads tackled- 53/69 3. LT Chambers- 40 4. Street Light Foundations - 68 5. Feeder Pillar foundations - 34 6. DWC 50mm - 2738m 7. DWC 160mm - 3494m 8. 7 way multi ducts - 235m 9. LT Cable - 2.58km 10. DLC - 0.6km out of 3.5km 11. Pavers work - 0.5km out of 1.5km	Storm Drain work 1. Road work 1.5km 2. LT Chamber Precast Slab 3. Road 05, 11 & 24 LT chamber excavation 4. Road 05, 11 & 24 Street light & Feeder Pillar foundation 5. DWC pipe laying work 6. School compound wall	1. Road Reconstruction: 2km 2. Electrical Works
5	Smart Road Package-02 Road Length-6.79 Km (Major-4.92Km+Minor-1.87Km)	47	47.92	09.10.2018	10.10.2018	12.12.2019	30.12.2019	M/s Prashanth Road Infraprojects Ltd	17.02.2020	16.02.2021	EOT1: 27.12.2021	20.43	1) Storm Drain work 9.13 km. 2) LT Chamber- 210 nos 3) Feeder Pillar - 07 nos 4) OFC Chamber- 25 nos 5) Street Light - 55 nos 6) DWC 160 mm - 16340m 7) DWC 50 mm - 10830m 8) 7 way Multi duct- 7950m 9) LT UG cable 240Sqmm - 2200m 10) Cable 16Sqmm - 6500m	1. Dismantling of existing drain and top slab 2. Excavation, PCC & Raft for SWD 3. Silt Removal of existing drains 4. Construction of HT & LT Chamber 5. Excavation for Utility work 6. Side walls & Slab of Drain 7. Laying of DWC pipe 8. Paver work 9. DBM and BC laying for Nehru Stadium road, Maratha galli & Coin road 10. Utility works of Nehru Stadium road, Maratha galli & Coin road 11. Nehru Stadium road excavation for reconstruction of road 12. Footpath pavers at roads - Nehru Stadium road, Maratha galli & Coin road	Major 3.05Km Minor: 1.53 Km Drain: 1.48 km
6	Smart Road Package-01 (Road Length 4.60 km)	48.5	39.47	18.09.2018	18.09.2018	19.09.2019	05.10.2019	B S Biradar	15.05.2020	14.05.2021	31.12.2022	2.25	Survey Works	Design Finalization Variation approval	
7	Smart Road Package-03 Road length: 6.819 Kms (Major 4.377 Kms Minor-2.442Kms)	41	44.44	09.10.2018	10.10.2018	29.02.2020	18.03.2020	KVR Constructions	20.11.2020	19.11.2021	31.03.2022	9.11	Storm Drain work 1. Excavation - 7364m 2.PCC - 7364m out of 10198m 3.Raft - 7364m out of 10198m 4. Side wall - 2477m out of 10198m 5. Top slab - 9968m out of 12198m 6. 7-way multi-duct - 7936m out of 10138m 7. 160mm DWC pipe - 15872m out of 20270m 8. 50mm DWC pipe - 1140m 9. LT Chambers - 121 Nos 10. GSB laying for Paver road at road no. 35	Storm Drain work 1. Excavation and PCC for drain at road no. 7, 4 & 36a 2. Raft at drain at road no. 7 3. Drain Side wall and slab at road no. 7 4. LT chamber walls at road no. 17 5. Excavation for CD work at road no. 4 6. Excavation for reconstruction of roads at road no. 5, 18a, 19 7. GSB laying for reconstruction of roads at road no. 5, 18a	1. BC overlaying yet to start 2.OFC and grit chambers yet to start 3.Paverblock and kerbstone laying yet to start 4. Street light and feeder pillar foundation yet to start
8	Redevelopment of Bengeri Market	7.6	6.8	14.04.2019	27.06.2019	27.06.2019	11.09.2019	SKS Karkala Infra Project Pvt Ltd	05.10.2019	04.10.2020	EOT1:31.03.2021 EOT2: 30.07.2021 EOT3: 30.11.2021 (submitted)	3.50	1.Toilet block completed 2.Guard room completed 3.CC Road 4.Entrance arch 5.Paver fixing 6.Outer stall tensile roofing-26no's	1.Central canopy tensile roofing 2.Landscape work 3.Electrical work	1.Compound painting

9	Development of Fish Market	4.5	5.6	21.02.2019	13.02.2019	13.02.2019	23.04.2019	G Ramesh	06.08.2019	06.08.2020	EOT1: 06.08.2021 EOT2: 31.12.2021	3.21	1.Demolition of Existing Vendors Shops at Ganesh peth fish market 2.Disposing of Debris 3.Site Barricading 4. Excavation for footing for main building 5. Boulder soling 6. PCC for footing, Plinth beams 7. M25 concrete for Footings, Plinth beams and Columns 8. Slab at +1.5m level and +4.5m level (Mezzanine floor) 9. Retaining wall 10. Toilet block slab 11. Tie beams with RCC drain at +4.5m level 12. Internal plaster work at Basement floor and Mezzanine floor.	1. Brick work for Toilet block 2. Brick work for kattas 3. Tie beams with RCC drain at +9.5m lvl 4. Fabrication work for truss 5. Basement floor drain work 6. Internal Plastering work for toilet block 7. Internal and external plastering work for columns	1. Grade Slab 2. Ramp 3. Erection for Truss work 4. GFS and Polycarbonate Sheet
10	Renovation of Core Markets - Janata Bazaar	20	18.35	17.12.2018	15.02.2019	16.02.2019	30.04.2019	SKS Karkala Infra Project Pvt Ltd	06.08.2019	06.02.2021	EOT1: 31.12.2021	5.65	1.Mass Excavation and Excavation for footings 2.PCC for footings and plinth beams 3. RCC Footings and plinth beams 4.RCC work of Columns at Basement, Ground, 1st and 2nd floor 5.RCC work of roof Slab at Basement, Ground, 1st and 2nd floor 7. Retaining wall 8. RCC work of UG Tank and Rainwater tank 9. Internal plaster of Ceiling at Basement floor, Ground floor and 1st floor.	1. RCC work of 3rd floor columns 2. Blockwork of Katta and shops at ground floor. 3. Outer blockwork at first floor 4. Dewatering for ramp portion backfilling 5. Excavation for drain at basement floor	1. Grade slab 2. Basement floor surface drain PCC and RCC work 3. Backfilling for Ramp 4. RCC work of Terrace slab 5. Internal plaster at 2nd floor
11	Tolankere Lake Development	16.25	20.29	16.03.2018	16.03.2018	23.03.2018	31.05.2018	Souhardha Infra Tech Ltd	16.10.2018	16.04.2020	EOT1:31.12.2020 EOT2: 30.07.2021 EOT3: 30.11.2021	18.60	1.Proposed Islands (2 No), 2.Existing Island (1 No), 3.Cattle feeder Tank(1 No), 4.Toilet Block, watch Tower, Amphi Theatre, Ticket Counter, Vermi Compost, Borewell, Retaining Wall, Concentric Coil for Fencing, Hedge Maze, SSM Works, Kerb Stone, UG Tank, Amphitheater, Stage granite fixing, Irrigation Works, electricals works PCC for Box culvert Barbending SSM Pointing 5.Retaining wall concreting 6. SS railing at Amphitheater and Existing Watch Tower. 7. Flooring work and electrical work. 8. Gabion wall at NE corner and near main entrance	1. Entrance gates back gate, 2. Entrance plaza	
12	MG Park Redevelopment	14.7	13.313	18.01.2018	02.08.2018	04.08.2018	13.10.2018	MAS Constructions Ltd., Mangaluru	03.08.2018	03.02.2020	EOT1: 31.05.2020 EOT2: 23.11.2020 EOT3: 30.07.2021 EOT4: 30.12.2021	8.64	1.Construction of Retaining wall (280 m) 2. Building for RO and water ATM(Plastering and Flooring) 3.Storm water drains (850 m) 4.Construction of Pond 5.Handicap Toilet 6.Vermi compost unit (Plastering & Floor surface) 7. Equipment (Gym, Children play, Sensor park play) 8.Gazebo 9. Amphitheter (Flooring & Railing) 10. Tensile Roofing 11. Compound Plastering 12. Meditation Deck column 13.Compound wall Grill Fixing, SS Railing m 14. Sump Tank 15.Recharge pits -10nos	1. Hardscape works, 2. Landscaping, 3.Irrigation works (Pipeline works with 5 HP monoblock pump) 4.Electrical Cable Laying Works	1. Signage Boards
13	M G Park Phase - II (Toy Train)	5	4.2	-	18.06.2019	18.06.2019	10.07.2019	CC Engineers, Pune	26.11.2019	25.05.2020	EOT1: 27.12.2020 EOT2: 30.07.2021 EOT3:31.12.2021	1.68	1. Survey Works 2.Design Approval 3.Dismantling of existing track 4. Excavation for Station and track. 5.Station :Fabrication,ACP,Flooring 6.Track Laying and alignment	Trial run	Go Live
14	Nehru Ground Development Phase – I and II	28	21.44	13.09.2019	30.09.2019	01.10.2019	30.11.2019	M/s Kotarki Constructions Pvt Ltd	05.06.2020	31.12.2021		3.35	1.Toilet block work and plaster work. 2.Sports building mezzaine slab work. 3.VIP building plinth beam bar bending work. 4.Existing spectator stand dismantling work.	1.Sports building column raising above mezzaine slab 2.VIP building plinth beam shuttering work. 3.Spectator stands pedestral footing excavation. 4.Pump room footing concreting.	1.Spectator stand truss work 2.Security gate 3.Running track 4.Basket ball court 5. Entrance gates 6.Feature wall 7.Volley ball court 8.Electrical/DG room
15	Procurement and Installation of Boom Barriers-Call3 Scope: 68 Barriers	5	5	-	09.09.2019	26.12.2019	06.01.2020	M/S Technocrats Security System Pvt Ltd	02.06.2020	17.10.2020	EOT: 14.04.2021 EOT2: 14.08.2021 EOT3:30.11.2021	0.86	68 Barriers installation completed	Caliberation	Go-Live
16	Master System Integrator	25	12.2	-	-	14.01.2019	08.02.2019	Madras Security Printers. Chennai	07.03.2019	07.12.2019		8.91		Work Order Issued on 28 Feb 2019 to M/S Madras Security Printers. Chennai.	
17	Digital Display Board	4.9	4.98	-	24.07.2019	19.09.2019	14.10.2019	M/S Sanjay Marketing, Bangalore	03.02.2021	02.02.2022		0.00	Survey Work completed, survey reports submitted	QAP approval	
18	Augmented Reality (AR) based Billboard Revenue Monitoring System	0.93	0.73	-	30.07.2018	01.08.2018	18.09.2018	Manipal Technologies Ltd.	02.02.2019	02.08.2019	EOT1: 30.09.2019	0.10	1. SRS & Survey Document . 2.Survey reports have been Submitted	Application Development for Android OS. User Acceptance Test	• Database Integration on Linux Servers provided by MSI for hosting of application • Go-Live

19	ICCC (Local System Integrator)	39.57	43.93	03.03.2018	03.03.2018	07.03.2018	27.04.2018	NEC India Pvt. Ltd.	19.11.2018	19.02.2020	EOT1: 31.08.2020 EOT2:14.03.2021 EOT3: 30.11.2021	38.40	1. Instalation of RFID tags 2,10,000 Nos, 2. 147 GPS trackers installed in HDMC Auto Tipppers, 3.Design & Supply of all the components 34.53 Cr Hardware materials procured, 4. SWM application development, 5. Use case for SWM, 6.finalization of SRS, FRS & SDD 7. Soft Launch of Temporary Control Center establishment (Installation of Equipments & SWM Application), 8. Installation of Server at Temporary Command Control Center 9.20 Fuel Sensors for HDMC owned vehicles installation. 10. Procurement, training and handover of 134 RFID readers to HDMC 11. 110 SWM cameras installation completed 12. Installation of Command and Control equipments	1. SWM application Customization. 2.Integration with ICOP Platform 3. BRTS integration for ITMS	1.System Acceptance & Go-Live
20	Public Bicycle Sharing	9.5	8.5	05.02.2019	11.06.2019	11.06.2019	08.08.2019	M/S Trinity Technology	10.10.2019	10.06.2020	EOT1: 14.11.2020 EOT2: 31.03.2021 EOT3: 31.12.2021	0.51	1. Survey Reports 2. System planning 3. Station Installation plan 4.Application Development Plan 5. Pilot Docking Station 01 No. 6. .Development Of Application 7. Supply Installation and Commissioning of Control Center operations 8. Website, mobile application 9. Procurement of bicycles	1. Construction of Docking Station at 13 locations	340 Bicycles 20: Docking Stations 1. on ground testing. 2. User generation Campaign. 3. Commissioning of Project Components & Go-Live
21	Chittaguppi Hospital Upgradation	35	27.38	04.03.2020	18.03.2020	18.03.2020	17.04.2020	MAS Constructions Ltd., Mangaluru	29.05.2020	28.05.2021	EOT1: 26.11.2021 31.03.2022	2.10	A) Existing Maternity Building Completed B) Administrative Buiding i) Dismantling of existing building. ii) BF+GF+FF+SF Slab Concrete completed. iii) BF+GF Masonary work completed. Iv) GF+FF Electrical work completed. C) Main Hospital Building.	B) Administrative work i)FF+SF Masonary work ii) FF+SF Electrical work iii) Flooring,painting,Doors and windows	C) Hospital Building yet to start
22	Medar Oni Public Health Center	10	4.6	-	24.06.2019	24.06.2019	31.08.2019	Jayaprakash Kunjuram Pillai, M/S Ramshree Global Constructions Private Limited	02.01.2020	01.01.2021	EOT1:30.07.2021 EOT2: 31.12.2021	1.44	1. Demolition of Existing Structure 2.Disposing off Debris, lead & Lift 3.Demolition of Compound wall 4.Mass Excavation depth 3m 5.PCC for footings, plinth beams and curtain wall 6. PCC for Nala 7. RCC work of Raft, walls and Top slab of Nala 8. RCC work for plinth beams and Curtain wall 9. Antitermite treatment at plinth level 10. RCC work for Columns at Ground floor, 1st floor, 2nd floor and Headroom 11. RCC work for Roof slab Ground floor, 1st floor, 2nd floor, OH tank bottom slab and Headroom slab 12. Block work at Ground floor, 1st floor, 2nd	1. Internal plaster at 1st floor and 2nd floor 2. Block work for lift 3. RCC work at terrace for OH tank wall 4. Electrical wall conduiting work at 1st, 2nd floor and staircase 5. External plaster at South and east side	1. Block work for headroom 2. Internal plaster at 2nd floor 3. External plaster at North and west side. 4. Window MS grills at 2nd Floor 5. Compound wall RCC work and block work 6. Vitrified tile flooring
23	Electrical Crematorium	2	2.9	-	05.10.2018	09.07.2019	04.09.2019	B N Girish	20.03.2020	26.09.2020	EOT1: 01.09.2021 EOT2: 30.11.2021	0.80	1.Excavation 2.PCC 3.Concreting for individual footing 4.Retaining wall concreting 5.Backfilling 6.Plinth Beam bar bending & Shuttering 7.Blockwork masonry completed upto bottom of roof beam and Parapet wall 8. PCC for floor 9.Column upto bottom of the roof beam 10.Lintel beam 11.Fabrication of furnace 12.Fabrication of chimney 13. Terrace slab 14. Internal Plastering work 15. External Plastering work 16. Waterproofing for Terrace	1. Furnace area flooring 2. Approach ramp work at entrance 3. Flooring work at scrubber room and panel room 4. Chimney erection work 5. Refractory work for furnace 6. Electrical works for building 7. DWC for HT / LT cable	1. Procurement and commissioning of Electrical equipments 2. Internal and external painting 3. Tiling work 4. Testing and commissioning work of furnace.
24	Unkal Lake Phase-02	35	36.6	04.03.2020	18.03.2020	18.03.2020	02.05.2020	MAA projects India	17.06.2020	16.09.2021	EOT1: 30.09.2022	1.63	Physical survey and boundary fixing around the lake, Earthen Bund cleaning	Stone pitching for earthen bund	Gabion wall, Retaining wall
25	Unkal Lake Upgradation	15	14.78	20.04.2019	09.07.2019	28.05.2020	15.06.2020	G Nagendra in consortium with JMS Bio-tech pvt. Ltd.	20.08.2020	16.08.2021	EOT1: 30.11.2021	2.47	Initial Clearing of weeds, Trash Barriers installed , Design Report finalised, Installationof Aerators/Fountains.Installation of Floating Rafters, installation of Bio Frames and Bioremedation	Bioremedation in progress, Installation of remaining Floating Rafters and aerators/fountains.	Sewage inlet interventions and lake water quality testing periodically.
26	Swimming Pool Development Phase-02	5	5	-	16.06.2020	30.07.2020	18.08.2020	Ashok Kumar G	29.09.2020	28.04.2021	EOT1:30.08.2021 EOT2: 30.11.2021 (submitted)	1.20	A)Toilet block i) Slab concrete, Masonary work B)Admin block i)Partition,False cealing,Electrical work,Flooring C)Pavilion Block i) Retaining wall,MS column erection D)Ticket counter i) UCR Masonary	1.UGD pipeline-80m 2.Seating kattas backfilling	1.Paver fixing 2.Entrance gate 3.Ticket counter masonary work

27	Tolankere Lake Development Phase-02	5	4.96	-	16.06.2020	18.09.2020	03.10.2020	P. Srinivasa	09.12.2020	09.05.2021	EOT1:30.07.2021 EOT2:30.11.2021	3.75	1.Procurement of play equipments 2.Childrens play area 1 and 2 3.Boot camp	1.Childrens play area 3 2.Handicap Gym equipments	1.Basket ball court 2.Volley ball court
28	Nala Renovation	50	50	-	11.08.2020	12.08.2020	25.09.2020	S.V.Bandi	16.12.2020	15.06.2021	EOT1:31.12.2021	1.84	1.Survey Work, Marking for STP Units 2.Left bank Gabion wall excavation 3.Gabion wall upto 1.5m-308 m out of 318m 4.Right bank Gabion wall excavation 140m out of 318m 5.Gabion wall upto 1.5m-140 m out of 318m,	Excavation for gabion wall,Excavation for STP Unit, Gabion wall construction, transition wall construction, compaction for sewer line laying, STP 3rd lift.	Cycle track,SSM Wall and Landscape , Hardscape.Open Ampitheater, Stone pitching for drain side slope,laying of sewer lines.
29	Redevelopment of Old City Bus Stand at Hubballi	30	40	20.10.2020	13.11.2020	16.12.2020	05.01.2021	The Trinity Group	23.04.2021	22.10.2022		1.93	1. Survey Works 2. Demolition works 3. Footings - 20 out of 87	1. RCC work for Footings and Retaining wall 2. Excavation work	1. Excavation for Retaining wall at south side and North side
30	Vani Vilas Development (BSUP)	12	15	20.10.2020	19.11.2020	20.11.2020	25.01.2021	B S Biradar	09.03.2021	08.03.2022		2.61	Survey Works, Demolition works	Excavation works	
31	Design, Supply and Procurement of Mobile Library Van	0.26	0.25	-	25.02.2021	09.05.2021	25.05.2021	M/s Able Design , Hubballi	13.08.2021	12.02.2022		0.00		Design Finalization	Procurement and supply of Mobile library van
32	Design and Construction of entrance gate at KIMS	0.40	0.31		25.02.2021	09.03.2021	31.03.2021	M/s Ranu Gifts and Metals, Hubballi	13.08.2021	12.02.2022		0	Design Finalization	Marking, excavation	
		642.41	641.36									237.47			

Tendered Projects

1	Construction of sports Complex.	150	150	10.12.2020	25.01.2021	25.01.2021	07.05.2021							Bid is under Negotiation	
		150	150												

DPR Stage

PUBLIC-PRIVATE PARTNERSHIP (PPP) Project

Sl no	Name of the Project	SCP Cost	DPR Cost	DPR Approved Date by TC	TS Date by SPV GM (Tech)	Tender Notification Date	Date of Tender Receipt	Name of Contractor	W.O Cost	W.O Date			Present Status	Project Scope
1	Smart Parking Tower (Multi Level Car Parking) SCM Funded Rs 10Cr	37	50	09.02.2018	09.02.2018	26.06.2018	03.09.2018	M/S Suresh Enterprises Pvt Ltd	50	28.12.2018			Basement (Foundation upto Slab) Completed. Retaining wall-86m(North and south) completed. Pump House and Fire tank (Slab Completed). Ramp work in progress. Columns-9 no's Completed. Shuttering work for slab at 2.65 level completed.	Project Scope: No of Floors: Cellar-02 Floors G+4 Floors Plot Area: 4050SQM Total Net FAR Area: 7063.48 SQM Vehicle Parking: 404 No. Break up: Bi-cycle-20no. Two wheeler: 178 no. Wheelers: 206 no.
2	LED Street Lighting	75	74	05.01.2019	05.01.2019	11.10.2021	12.11.2021						Project retendered	Scope of Work:
Total		112	124						50					

Convergence Projects

Sl No.	Name of the Project	DPR Cost in Cr	Amount Put to Tender in Cr	Work Order Cost in Cr	Financial Progress	Stage of Project
Completed Projects						
1	Water Supply System - 24/7 Water Supply- with smart	115	113	113	113	Work Completed
2	Improvement of Road - Kamaripeth police station to Unkal	46	45.96	45.96	45.96	Work Completed
3	Storm Water Drains	15.22	14.13	14.13	14	Work Completed
4	e-Toilets	1.03	0.95	0.95	1	Completed
5	Repair of lamington school	3	3	3	2	Work Completed
6	Bulk Water Improvement Hubballi-Dharwad	26	26	26	24	Work Completed
7	Road work from industrial estate to Tatvadarsha hospital	1	1	1	1	Work Completed
8	Providing sewerage system to Hubballi-Dharwad twin	16.75	16.75	16.75	16.75	Work Completed
9	Under Ground Drainage System	186	182	182	180	Work Completed
10	Integrated Solid Waste Management	65	60.04	60.04	59.5	Work Completed
Total		475	462.83		457.21	
Ongoing Projects						
1	Improvement of Road - Indi pump to Unkal in Hubli City	40	40	40	8	Work Order Issued
2	Improvement of Road - Old NH-4 road Kamaripeth Police	30	30	30	6	Work Order Issued
Total		70	70		14	

Convergence Total	545.00	532.83		471.21
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SCM Projects Abstract	Numbers	Amount in Cr
Projects Completed	25	113.45
Project Awarded/ongoing	33	641.36
Projects tendered	1	150.00
DPR Stage	0	14.19
FR Stage	0	0.00
PPP Project(MLCP-SCM Funded)	1	10.00
KUIDFC Urban Observatory		1.00
Total	60	930.00

3. Dividend

No dividend is being recommended by the Directors as the Company has not earned any revenue from its operations.

4. Reserves

The Company has not transferred any amount to reserves.

5. Capital Structure

a. Share Capital

The Authorised share capital of the Company for the FY ended 31st March, 2021 was Rs.200,00,00,000/- (Rupees Two Hundred Crores only) divided into 2,00,00,000 (Two Crore) equity shares of Rs.100/- (Rupees Hundred only) each. During the year, the company has not altered its capital clause to the Memorandum of Association.

The issued, subscribed, called-up and paid up equity share capital of the Company as on 31st March 2021 was Rs. 10,00,000/- (Rupees ten Lakhs only) divided into 10,000 (Ten Thousand) equity shares of Rs.100/- (Rupees Hundred only) only.

During the Financial Year 2020-21, the Company has not issued shares under Private Placement/Preferential allotment/Rights Issue/Employees Stock option.

b. Disclosure regarding Issue of Equity Shares with Differential Rights

The Company has not issued any Equity shares with differential rights during the financial year.

c. Disclosure regarding issue of Employee Stock Options

During the financial year, the company has not issued any shares under Employees Stock Option scheme.

d. Disclosure regarding issue of Sweat Equity Shares

The company has not issued any sweat equity shares during the financial year.

6. Change in the nature of business

There has been no change in the nature of business of the Company during the financial year ended 31st March 2021.

7. Subsidiaries, Joint Ventures or Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company during the year. Hence details of performance and financial position of each of the Subsidiaries, Joint Ventures or Associate Companies are not offered.

None of the Subsidiaries, Joint Ventures or Associate Companies have become Subsidiaries, Joint Ventures or Associate Companies or ceased to be the Subsidiaries, Joint Ventures or Associate Companies during the financial year.

8. Adequacy of internal financial controls

The Company has an internal financial control system designed to provide high degree of assurance regarding optimization and safeguarding of resources, quality and reliability of financial and operational information.

9. Extract of Annual Return

Pursuant to the provisions of section 92(3) of the Act read with rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return in Form MGT - 9 is attached to the report as **Annexure I**.

10. Directors and Meetings

a. Number and dates of Board Meetings and number of meetings attended by each directors

During the financial year 2020-21, total Four (04) Board Meetings were held on 15/06/2020, 03/09/2020, 16/12/2020 and 31/12/2020.

Sl. No.	Name of the Directors	No. of Boards Meeting attended
1	Sri Gaurav Gupta, IAS	2
2	Sri Ravikumar Surpur, IAS	2
3	Sri M.T.Reju, IAS	2
4	Smt B.B.Cauvery, IAS	3
5	Sri.Deepa Cholan, IAS	1
6	Sri Nitesh Patil, IAS	2
7	Sri.Charulata Somal, IAS	2
8	Sri.Suresh Itnal, IASs	3
9	Sri.Rajkumar Goutham, IRS	1
10	Sri.Shakeel Ahmed, KMAS	4
11.	Sri.S.B.Shetty	2
12	Smt.Vimala Swamy	1

b. Number and dates of Committee Meetings and number of meetings attended by each members.

During the financial year, total two (01) Audit Committee Meetings were held on 17/1/2020.

Sl. No.	Name of the Directors	No. of Committee Meeting attended
1	Sri Suresh Itnal	1
2	Sri S.B.Shetty	1

c. Declaration by Independent Director

The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 stating that he/she meets the criteria of independence laid down in section 149 (6) of the companies Act, 2013.

d. Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178

In terms of Article No 14.1 of the Articles of Association of the Company, the Government of India, Government of Karnataka and Local Municipal Corporation (i.e.,Hubballi-Dharwad Municipal Corporation) are empowered to nominate the directors on the Board and also to determine the terms of office of such Directors.

The company has not paid any remuneration to any director of the company. However, the company has paid travelling/conveyance reimbursement expenses for each director for attending Board Meetings of the company.

Since the Company has not fulfilled the criteria's relating to the constitution of Nomination and Remuneration Committee as specified under the Companies Act, 2013, the matters provided under sub-section (3) of section 178 of the Companies Act, 2013 are not applicable for the current reporting period.

e. Change of Directors

In terms of Article No 14.1 of the Articles of Association of the Company, the Government of India, Government of Karnataka and Local Municipal Corporation (i.e.,Hubballi-Dharwad Municipal Corporation) are empowered to nominate the directors on the Board and also to determine the terms of office of such Directors.

Following are the details of changes in composition of Board of Directors:

Name of Director	Date of Appointment	Date of Cessation	Designation
Shri. GAURAVGUPTA IAS	28/10/2019	22/10/2020	NOMINEE DIRECTOR
Shri Ravi Kumar Surpur	22/10/2020	-	NOMINEE DIRECTOR
Shri Reju M T	18/12/2020	-	NOMINEE DIRECTOR
Shri J. Ravishankar	13/09/2019	22/10/2020	NOMINEE DIRECTOR
Smt.B B Cauveri	03/03/2020	11/10/2021	NOMINEE DIRECTOR
Smt.Deepa Murthy Cholan	18/07/2018	30/06/2020	NOMINEE DIRECTOR
Shri Nitesh Kumar Patil	05/10/2020	-	NOMINEE DIRECTOR
Smt.Charulata Somal	21/10/2019	08/12/2020	NOMINEE DIRECTOR

Shri THM Kumar	22/10/2020	21/08/2021	NOMINEE DIRECTOR
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f. Appointment of KMP

As per the Government order DPAR 22 SAS 2019 dated 01st April, 2019 the Company had appointed Sri Prashant Kumar Mishra, IAS as the Managing Director of the Company wef 28.05.2019, and replacing Shri. Chitradurga Wahid Shakeel Ahmed KMAS on account of his transfer.

As per the Government order NAE 27 CSS 2019, dated: 11.06.2019 the Company had appointed Sri Chitradurga Wahid Shakeel Ahmed KMAS, as the Managing Director of the Company wef 14.06.2019 replacing Sri Prashant Kumar Mishra, IAS.

As per the Government order DPAR 143 SAS 2019, Bengaluru dated 19.10.2019, the Company had appointed Sri Sundaresh Babu as the Managing Director of the Company wef 10.12.2019 replacing Sri Chitradurga Wahid Shakeel Ahmed KMAS.

As per the Government order No.-UDD 332 CSS 2019 dated 6th December, 2019 the Company had appointed Sri Chitradurga Wahid Shakeel Ahmed KMAS as the Managing Director of the Company w.e.f 11.12.2019.

The Board of Directors at their meeting dated 16/12/2020 appointed Shri. Pavan Pise as the Whole-time Company Secretary of the Company.

Subject to above, during the year under reporting, no other person had been appointed as the KMP.

g. Board Evaluation

The provisions of Section 134(3) (p) read with rule 8(4) of the Companies (Accounts) Rules 2014 are not applicable to the Company. Hence details of performance evaluations are not offered.

h. Re-appointment of retiring Directors

- i. Sri. Ravi Kumar Surpur ^{IAS} (DIN: 06695585) retires by rotation and being eligible, offers himself for re-appointment.
 - ii. Sri. Reju M T ^{IAS} (DIN: 09001848), retires by rotation and being eligible, offers himself for re-appointment.
 - iii. Sri k.P.Mohan Raj ^{IAS} (DIN: 06965604) retires by rotation and being eligible, offers himself for re-appointment.
 - iv. Sri. Nitesh Patil, ^{IAS} (DIN: 08904068), retires by rotation and being eligible, offers himself for re-appointment.
 - v. Sri. Suresh Itnal ^{IAS} (DIN: 08578554), retires by rotation and being eligible, offers himself for re-appointment.
 - vi. Smt. M. S. Archana, ^{IAS} (DIN:09430506), retires by rotation and being eligible, offers herself for re-appointment.
 - vii. Raj Kumar Gautam, ^{IRS} (DIN: 08060297), retires by rotation and being eligible, offers himself for re-appointment.
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i. Directors Declaration

During the year, notices of all the Board Meetings have been duly served to all the Directors of the Company and notices of all the general meetings have been duly served to all the members of the Company.

The Board Meetings and General Meeting have been duly convened and held and minutes of Board Meetings and General Meeting have been prepared and maintained as per the provisions of the Companies Act 2013.

The Company has maintained all applicable registers/records and made entries therein within the prescribed time as per the provisions of the Companies Act 2013.

11. Members' Meeting

The Third Annual general Meeting of the Company was held on 31/12/2020 during the financial year 2020-21. Further, Company did not hold any other General Meetings during the financial year.

12. Secretarial Standards

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

13. Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a. in the preparation of the annual accounts for the financial year ended 31st March, 2021, 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;
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- 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. the Company being unlisted company, sub clause (e) of section 134(5) of the Act pertaining to laying down internal financial controls is not applicable; and
- 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.

14. Material changes, if any between date of the balance sheet and date of the directors' report

No material change affecting the financial position of the Company has occurred between the end of the financial year and the date of this report.

15. Conservation of energy, technology absorption, foreign exchange earnings and outgo

(A) Conservation of Energy -

(i) Steps taken or impact on conservation of energy: Apart from the energy conservation projects carrying by the Company under Smart City Mission projects, the Company has undertaken necessary measures to reduce energy consumptions. The expenses relating to energy consumption is very minimal. Company ensures that the operations of the company are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.

(ii) Steps taken for utilizing alternate sources of energy; considering the nature of work, there is no requirement for alternate source of energy. Hence the company has not initiated any steps for utilizing the alternate sources of energy.

(iii) Capital investment on energy conservation equipments: The operations of the company being non energy intensive, the Company has not made any capital investments on energy efficient equipments.

(B) Technology Absorption-

(i) Efforts made towards technology absorption; Constant monitoring and technology upgradation is taking place in the Company. It has been the endeavor of the Company to invest in the latest and environmental friendly technologies. Efforts towards technology absorption included continued efforts for process improvements and improved formulation types strengthen to improve the efficacy, productivity and profitability of the Company.

(ii) Benefits derived: The Company has benefited from reduction in cost and improved efficiency.

(iii) In case of technology imported, if any: The Company continues to use the latest technologies for improving the productivity and quality of its services. The Company's operations do not require significant import of technology.

(a) Details of technology imported: Nil

(b) Year of import: Nil

(c) whether technology been fully absorbed: Nil

(d) if not fully absorbed, areas where absorption has not taken place and the reasons: Nil

(iv) Expenditure on Research & Development: Nil

(C) Foreign Exchange Earnings and Outgo in accrual inflows and out go-

Information in respect of Foreign Exchange earnings and outgo is:

Particulars	Current year (Amount in Rs.)
Earnings	-
Outgo	-



16. Risk Management Policy

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal. The Company's Risk Management process focuses on ensuring that these risks are identified on a timely basis and addressed.

17. Auditors and their Report

a. Statutory Auditors

Vide letter No/CA. V/COY/KARNATAKA,HDSCL(1)/1068 dated 28/08/2020, M/s. Umashankar & Co, Chartered Accountants, FRN: 004456S were appointed by Comptroller and Auditor General of India as statutory auditors of the Company for the financial year 2020- 2021.

b. Explanations or comments to auditor's qualification / disclaimer /reservation / adverse remarks:

SL No	Remarks by Auditors	Explanation by Company
1	The Company has not provided outstanding liability of Rs.10.19 crores in respect of bills received before 31 st March,2021 for works executed and should have been accounted as current liability as per Accounting Standard 29. This resulted in understatement of current liability and overstatement of smart city mission grant to same extent.	The same will be incorporated/rectified in the financial statements of the next financial year.
2	The Company has not provided bills received before 31 st March,2021 towards certain administrative expenses this has resulted in understatement of current liability and over statement of SCM grant by Rs.42,768	The same will be incorporated/rectified in the financial statements of the next financial year.
3	On the basis of observations made by CAG, in respect of interest received from income tax authority for delay in refund of Income Tax TDS deducted on interest earned on grant funds of Rs.24,63,937 should have been capitalized under grant, were as the	The same will be incorporated/rectified in the financial statements of the next financial year.

	Company has wrongly considered as other income in profit and loss account which has resulted in overstatement of income and understatement of grant	
4	In respect to Amount shown in contingent liability in Note no.21 of Sulaiman Asif (Swimming pool)Honorable High Court has passed the order on 22/09/21 in favour of contractor hence there is possibility of actual liability.	The same will be incorporated/rectified in the financial statements of the next financial year.
5	The total cumulative payment made to the PMC as on 31.03.2021 is Rs.10,99,74,708. It is noticed that PMC payment is not adjusted against SCM(A&OE Grant) and instead adjusted against SCM (Project grants). On account of this SCM project Grants is understated and SCM (A&OE Grant) is overstated to the extent of Rs.10,99,74,708	The same will be incorporated/rectified in the financial statements of the next financial year.

c. Frauds reported by auditor

Pursuant to sub-section (12) of section 143 of the Act, auditor has not reported any frauds during financial year.

18. Maintenance of Cost Records and Cost Audit:

Considering the business activities of the Company and based on the turnover of the immediately preceding financial year, the provisions of Section 148 are not applicable to the Company. Hence details are not offered.

19. Composition of Audit Committee:

The Board of Directors vide their resolution dated 16th day of January, 2019 passed through circulation mode in accordance with Section 175 of the Companies Act, 2013 read with Secretarial Standard-1, had constituted the Audit Committee. The details of the present members of the committee are as below:

1. Shri. Suresh Itnal - Commissioner, HDMC
2. Shri. S. B. Shetty, Independent Director; and
3. Smt. Vimala Swamy, Independent Director.

20. Deposits

During the year under review, the company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

21. Details of significant & material orders passed by the regulators or courts or tribunal

No significant and material orders have been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

22. Loans, guarantees or investments under Section 186 of the Companies Act, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year.

23. Particulars of Contracts or Arrangement made with Related Parties

Details are attached as Annexure-II in Form AOC 2.

24 . Particulars of Employees:

There were no employees of the Company who received remuneration in excess of the limits prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

25. Disclosures under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

No case was reported / filed under the said Act during the year 2020-21.

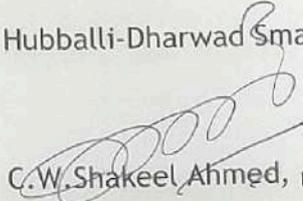
Acknowledgment

The Directors acknowledge and thank all collaborators, vendors and other service providers for their valuable assistance and cooperation extended to the Company. The Directors wish to thank the Comptroller & Auditor General of India and the Auditors for their valued co-operation. The Directors are also grateful to the Government of India, Government of Karnataka, Urban local body and KUIDFC for the support and cooperation extended to the Company.

Your Directors take this opportunity to place on record their appreciation for the valuable contribution made and excellent co-operation extended by the employees and executives at all levels for the continued progress and prosperity of the Company.

For and on behalf of the Board of Directors

Hubballi-Dharwad Smart City Limited


C.W. Shakeel Ahmed, KMAS

Managing Director

DIN: 08168997


S.B. Shetty

Independent Director

DIN: 08302682

Date: 29.12.2021

Place: Hubballi

Annexure I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31/03/2021

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U74999KA2017PLC101265
Registration date	10/03/2017
Name of the Company	HUBBALLI-DHARWAD SMART CITY LIMITED
Category/ sub category of the company	Company limited by Shares/Non-Govt company
Address of the registered office and contact details	CSS NO.122/124, HDMC Samskrutika Bhavana, First Floor, New Cotton Market Road, Hubballi- 580029 0836-2355322
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	BgSE Financial Services Limited Bengaluru

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl No	Name & address of the Company	CIN/GLN	Holding/subsidiary/associate	% of shares held	Applicable section
-	-	-	-	-	-

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
1. Indian									
Individual/HUF *	-	5	5	0.05	1	4	5	0.05	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	5,000	5,000	50.00	-	5,000	5,000	50.00	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any other (Hubballi Dharwad Municipal Corporation)	-	4,995	4,995	49.95	-	4,995	4,995	49.95	-

Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	
Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	
Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (C)(2):	-	-	-	-	-	-	-	-	
Total Public Shareholding (C)=(C)(1)+ (C)(2)	-	-	-	-	-	-	-	-	
D. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C+D)	-	10,000	10,000	100	1	9,999	10,000	100	-

** The shares were held on behalf of Hubballi-Dharwad Municipal Corporation.*

B. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	His Excellency Governor of Karnataka	5,000	50.00	-	5 000	50.00	-	-
2.	Hubballi-Dharwad Municipal Corporation	4,995	49.95	-	4,995	49.95	-	-
3.	Shri. A B Ibrahim IAS*	01	0.01	-	01	0.01	-	-

4.	Shri. Darpan Jain *	01	0.01	-	01	0.01	-	0.01
5.	Shri. Dheerendra Shrinivas Saraf *	01	0.01	-	01	0.01	-	0.01
6.	Smt. Laxmi Uppar *	01	0.01	-	01	0.01	-	0.01
7.	Sri.Nitesh Patil *	01	0.01	-	01	0.01	-	0.01
	Total	10,000	100	-	10,000	100	-	00.00

** The shares were held on behalf of Hubballi-Dharwad Municipal Corporation.*

C. Change in Promoters' Shareholding
(Specify if there is no change)

Sl.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	His Excellency Governor of Karnataka				
	At the beginning of the Year	5,000	50	5,000	50
	Date wise Increase / Decrease in Share holding	-	-	-	-

	during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
	At the end of the year	5,000	50	5,000	50
2.	Hubballi-Dharwad Municipal Corporation				
	At the beginning of the Year	4,995	49.95	4,995	49.95
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year	4,995	49.95	4,995	49.95
3.	Shri. Darpan Jain IAS				
	At the beginning of the Year	01	0.01	01	0.01
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year	01	0.01	01	0.01
4.	Shri. A B Ibrahim IAS				
	At the beginning of the Year	01	0.01	01	0.01

	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year	01	0.01	01	0.01
5.	Shri. Dheerendra Shrinivas Saraf				
	At the beginning of the Year	01	0.01	01	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year	01	0.01	01	0.01
6.	Smt. Laxmi Uppar				
	At the beginning of the Year	01	0.01	01	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year	01	0.01	01	0.01
7.	Smt. Deepa Murthy Cholan				
	At the beginning of the Year	01	0.01	01	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-

	equity etc)				
	At the end of the year	01	0.01	01	0.01

*** The shareholders viz., point-03 to point-7 are holding the shares on behalf of Hubballi-Dharwad Municipal Corporation.**

**D. Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

E. Shareholding of Directors and Key Managerial Personnel: *

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of The	No. of shares	% of total shares of the

			company		company
1.	Sri. Nitesh Patil IAS				
	At the beginning of the Year	-	-	01	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year	-	-	01	0.01

**** The Directors are holding the shares on behalf of Hubballi-Dharwad Municipal Corporation.***

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposit	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:

Sl.No.	Particulars of Remuneration	Name of WTD/MD/Manager	Total Amount
		C.W.Shakeel Ahmed, <small>KMAS</small> Managing Director	10,49,376=00
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	-	-
4	Commission -as % of profit -others, specify	-	-
5	Others, (Please specify)	-	-
	Total (A)	-	10,49,376=00
	Ceiling as per the Act	NA	-

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	-	-	-	-
	• Fee for attending board committee Meetings *	*Given under Note-1			
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-

	• Fee for attending board committee Meetings**	*Given under Note-2			
	• Commission	-	-	-	-
	• Others, Salary	-			-
	Total (2)	-	-	-	-
	Total (B) = (1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	NA	NA	NA	-

*Note-1:

SI No	Name of Director	Amt
1	Sri S.B.Shetty	3000

*Note-2:

SI No	Name of Director	Amt
1	Sri Gaurav Gupta, IAS	2000
2	Smt Deepa Cholan, IAS	1000
3	Sri Ravikumar Surpur, IAS	2000
4	Dr.M T Reju, IAS	2000
5	Smt B.B.Cauvery, IAS	4000
6	Sri Nitesh Patil, IAS	1000
7	Smt Charulata Somal, IAS	2000
8	Suresh Itnal, IAS	5000

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Pavan Pise CS*	CFO	Total
1	Gross salary	-	3,60,000=00		3,60,000=00
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	3,60,000=00		3,60,000=00

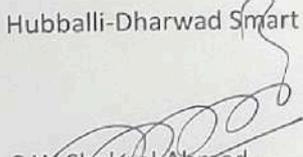
* Pavan Pise, joined as Company Secretary on 3rd October, 2020.

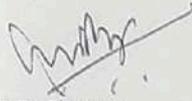
VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any 33(give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Hubballi-Dharwad Smart City Limited


C.W. Shakeel Ahmed
Managing Director
DIN: 08168997


S.B. Shetty
Independent Director
DIN: 08302682

Date: 29.12.2021
Place: Hubballi

Annexure II

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: **NA**
2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Hubballi-Dharwad Municipal Corporation (HDMC). Major Shareholder
b)	Nature of contracts/arrangements/transaction	Project related expenses
c)	Duration of the contracts/arrangements/transaction	Recurring
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	During the ordinary course of business.
e)	Date of approval by the Board	-
f)	Amount paid as advances, if any	Nil

Sd/-
C.W.Shakeel Ahmed, KMAS
Managing Director
DIN: 08168997

Sd/-
S.B.Shetty
Independent Director
DIN: 08302682



UMASHANKAR AND CO
CHARTERED ACCOUNTANTS

First Floor F-41 and 42 Laxmi complex Neelgin road
Hubballi 5800
Karnataka



ush123ar@rediffmail.com
adarsh@umashankar.co



0836 2351275, 0836 2338032
9845678345, 9891830676

Revised Independent Auditor's Report

To

The Members of HUBBALLI-DHARWAD SMART CITY LIMITED

Report on the audit of the financial statements

We have audited the accompanying financial statements of HUBBALLI-DHARWAD SMART CITY LIMITED ("the Company"), which comprise the balance sheet as at March 31st, 2021, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. **The Audit Report has been revised consequent to Audit Observation of the Comptroller and Auditor General of India. This Report supersedes our earlier report dated 04/11/2021**

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below the 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.

- In the case of the balance sheet, of the state of affairs of the Company as at 31 March 2021; and
- In the case of the statement of profit and loss, of the loss for the year ended on that date.
- And its cash flows for the year ended as on that date

Basis for Qualified opinion

On the basis of observations made by CAG, the outstanding current liability in respect of below mentioned items should have been accounted and provided as current liability



1. The company has not provided outstanding liability of Rs 10.19 crores in respect of bills received before 31st March 2021 for works executed and should have been accounted as current liability as per Accounting standard 29. This has resulted in understatement of current liability and overstatement of smart city mission grant to same extent.

2. The company has not provided for bills received before 31st March 2021 towards certain administrative expenses this has resulted in understatement of current liability and over statement of SCM grant by Rs 42,768.

Profit and loss account: other Income of Rs 24,63,937 (note 16)

3. On the basis of observations made by CAG, in respect of interest received from income tax authority for delay in refund of Income Tax TDS deducted on interest earned on grant funds of Rs 24,63,937 should have been capitalized under grant, were as the company has wrongly considered as other income in profit and loss account which has resulted in overstatement of income and understatement of grant.

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.



Other Matters

In Respect to Amount shown in contingent Liability in note no 21 of Sulaiman Asif (Swimming pool) Honorable High court has passed the order on 22/09/21 in favour of contactor hence there is possibility of actual liability

The total cumulative payment made to the PMC as on 31.03.2021 is Rs. 10,99,74,708/- it is noticed that PMC payment is not adjusted against SCM (A&OE Grant) and instead adjusted against SCM (Project Grants). On account of this SCM Project Grants is understated and SCM (A&OE Grant) is overstated to the extent of Rs. 10,99,74,708.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the



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

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

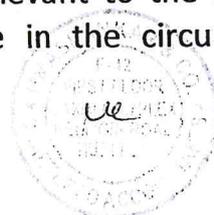
The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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



section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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



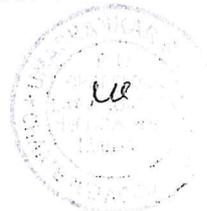
the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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 Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report agree with the books of account;
- (d) In our opinion, the aforesaid 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 March 31st , 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31st , 2021 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 and checklist on internal financial control, refer to our separate report in "Annexure B" and 'Annexure C' 'Compliance to Directions under sub-Section (5) of Section



143 of Companies Act, 2013'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

(h) 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;

a. The Company does have pending litigations which would impact its financial position;

Sulaiman Asif (Swimming pool)

Total Amount Paid upto 31/03/21	Rs 7,22,96,178
GST Differential contested	Rs 42,05,182

Contract awarded in Pre GST Era and executed in GST Period. Same is under litigation in court with respect to GST Payment

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For UMASHANKAR & CO.
CHARTERED ACCOUNTANTS
FRN: 004456S**

Ureema

**UMASHANKAR HIREMATH
PARTNER**

Membership No 024752

UDIN No:21024752AAAAMX5452

Place: Hubli

Date:10/12/2021



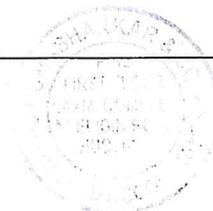
Annexure "A" to the Revised Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of HUBBALLI DHARWAD SMART CITY LIMITED of even date)

1.	In respect of the Company's fixed assets:
(a)	The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b)	The Company has no such program of verification to cover all the items of fixed assets in a phased manner every year, which, in our opinion, is not reasonable having regard to the size of the Company and the nature of its assets.
(c)	According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold Assets or land and building as at the balance sheet date.
2.	The company has no inventory stock. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
3.	According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
4.	In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
5.	In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6.	The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.



7.	In respect of statutory dues:
(a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
	According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31st , 2021 for a period of more than six months from the date they became payable
(b)	According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8	In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
9.	The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
10.	To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11.	In our opinion and according to the information and explanations given to us, the Company has not paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act. Accordingly, the clause is not applicable



12.	The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13.	According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14	According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15	According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16	According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For UMASHANKAR & CO.
CHARTERED ACCOUNTANTS
FRN: 004456S**

Ureema

**UMASHANKAR HIREMATH
PARTNER**

Membership No.

UDIN No: 21024752AAAAMX5452

Place: Hubli

Date:10/12/2021



Appendix – I

Details of default in payment of dues to banks, financial institutions and government

Name of the bank/ Financial Institution	Nature of default	Amount of default	Period of default	Present status
Total			NIL	



Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of HUBBALLI-DHARWAD SMART CITY LIMITED of even date)

Report on the internal financial controls over financial reporting 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 HUBBALLI-DHARWAD SMART CITY LIMITED (“the Company”) as at March 31st , 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

The board of directors of the Company 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. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 in 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 control system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) 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.

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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st , 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For UMASHANKAR & CO.
CHARTERED ACCOUNTANTS
FRN: 004456S**

Umesh



**UMASHANKAR HIREMATH
PARTNER
Membership No.**

UDIN No: 21024752AAAAMX5452

Place: Hubli

Date: 10/12/2021

'Annexure C' 'Compliance to Directions under sub-Section (5) of Section 143 of Companies Act, 2013'

HUBBALLIDHARAWAD SMART CITY LIMITED

Directions under sub-section (5) of section 143 of the Companies Act, 2013

1. Whether the Company has system in place to process all the accounting transactions, though IT system? If yes, the implication of processing of accounting transactions outside, IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

Yes, all the accounting transactions are done through IT Software Tally

2. Whether there is any restructuring of an existing loan or cases of waiver write off of debts/loans/interest etc made by a lender to the company due to the company's inability, to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case lender is a Government Company, then this direction is also applicable to statutory auditor of lending company)

No such restructuring of any loan

3. Whether funds (grants subsidy etc) received receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per the terms and conditions? Last the cases of deviation

Yes, Grants received from government are properly accounted for/utilized as per the terms and conditions

Specific Sub-directions under section 143(5) of the Companies Act, 2013

1. All the items with regard to Cash and Bank balances as in the Annexure-1 shall be verified and report themes of specific non-compliances Details of unexplained balances balances operated under suspense head may also be examined:



No deficiencies Observed

2. Whether system of monitoring the execution of works vis-a-vis the milestone stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues leases from contracts, etc., have been properly accounted for in the books:

Yes system is in place

3. Comment on the confirmation of balance of trade receivables, trade payables advances and balances of a similar nature:

No such trade receivables, trade payables advances except Mobilization Advance to Contractor

4 Whether the Company has a system of ensuring that the cost on abandoned projects has been identified and provided for written off:

No such system exists

5. Whether the Company has created a revenue generating stream of its own and has accounted the revenue expenditure, A&OE, project grunts as per the Smart City Guidelines. The auditor may also comment upon whether any income accruing to the projects has been treated an income of the Company: Specific cases of non-compliance may be indicated.

No such revenue generating stream for Financial Year 2020-21

For UMASHANKAR & CO.
CHARTERED ACCOUNTANTS
FRN: 004456S

Umeshankar Hiremath

UMASHANKAR HIREMATH
PARTNER
Membership No 024752
UDIN No: 21024752AAAAMX5452
DATE: 10/12/2021

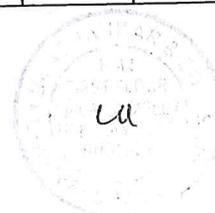


'Annexure C' compliance to CAG Directions

Annexure I

Checklist on internal financial control: For test check cases during supplementary audit involving cash and balances

Sr no	Items in check list	Yes	No	N/A	Remarks
1	Whether all bank accounts/Fixed deposits have been opened with banks/proper authorization and approvals as per the aforesaid delegation of power?	Yes			-
2	Whether there was a periodical system of preparation of bank reconciliation statement and whether they were produced for verification of audit?	Yes			
3	Whether bank reconciliation the main account and all subsidy bank account were done?	Yes			
4	Was the authorization to operate the bank account were given a single signatory?	Yes			
5	Whether the interest for the entire duration of fixed deposit was accounted in the books of accounts?	Yes			
6	Whether the physical verification of cash has taken place periodically?			NA	Company does not have any cash in hand
7	Whether the cash in hand as show in balance sheet tallies with the certificate of physical verification of cash?			NA	Company does not have any cash in hand
8	Is there any register of fixed deposit showing amounts, maturity dates, rate of interest and dates of payment of interest?		No		
9	Is there a fallow-up system to ensure that interest and dates for payment of interest?		No		System driven by banks
10	Is there a follow-up system to ensure that transfer of maturity amount of fixed deposit is done without delay?		No		System driven by banks
11	Whether bank confirmation certificate are obtain periodically from the bank for all accounts: SB accounts ,current account and fixed deposit account?	Yes			
12	Whether confirmation of balances is respect of all bank	Yes			



	balance tally with bank statement?				
13	Whether the fixed deposit and interest as per fixed deposit register tally with confirmation / certificate issued by the bank	Yes			
14	Whether the all confirmation statement received from the bank are authenticated and in the latter head by the bank?	Yes			
15	In case of any difference observed in the above check, whether the same was adjusted in the subsequent year?			NA	
16	Whether the external confirmation were obtain from banks in the text check cases, if so details thereof with	Yes			Obtained
17	Whether any of the aforesaid lapses were brought out in the report of the internal financial control by the statutory audit, if any audit enquiry was issued?			NA	

For **UMASHANKAR & CO.**
CHARTERED ACCOUNTANTS
FRN: 004456S

Ureema

UMASHANKAR HIREMATH
PARTNER
Membership No 024752
UDIN No:21024752AAAAMX5452



Place: Hubli
Date: 10/12/2021



UMASHANKAR AND CO
CHARTERED ACCOUNTANTS

First Floor F-41 and 42 Laxmi complex Neeligin ro
Hubballi 5800
Karnata



ush123ar@rediffmail.com
adarsh@umashankar.co



0836 2351275, 0836 2338032
9845678345, 9891830676

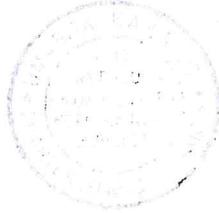
Compliance Certificate

We have conducted the audit of accounts of **HUBBALLI-DHARWAD SMART CITY LIMITED** for the year ended 31st March 2021 in accordance with the direction / sub directions issued by the C & AG of India under section 143 (5) of the companies act 2013 and certify that we have complied with all the directions/sub directions issued to us.

For **UMASHANKAR & CO.**
CHARTERED ACCOUNTANTS
FRN : 004456S

Ureemath

UMASHANKAR HIREMATH
PARTNER
Membership No.024752



Date: 10/12/2021

Place: Hubballi

1 General Information

HUBBALLI-DHARWAD SMART CITY LIMITED was incorporated on 10/03/2017 under the provisions of Companies Act,2013. The company being a Special Purpose Vehicle under the Smart City Mission of Central Government of India, is engaged in implementing the Smart City Projects in the twin cities viz., Hubballi-Dharwad.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

The financial statements have been prepared on Historical Cost Convention and in accordance with Generally Accepted Accounting Principles (GAAP). GAAP comprises mandatory Accounting Standards as specified in section 133 of the Companies Act 2013, read with rule 7 of Companies (Accounts) Rules 2014.

All Assets and Liabilities have been classified as Current or Non Current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

2.2 Use of estimate

The presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of Assets and Liabilities on the date of the Financial Statements and the reported amount of Revenues and Expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized

2.3 Property, Plant and Equipment and Depreciation:

Property, Plant and Equipment are stated at cost of Acquisition inclusive of inward freight, duties and any other directly attributable cost of bringing the assets to its intended use.

Depreciation on Assets has been provided on written down value method in accordance with the useful life of the assets specified in Schedule II to the Companies Act, 2013.

Nature of Asset	Useful Life
Furniture and Fixtures	10
Office Equipment	15
Building (Temporary Structure)	3
Computer Equipment	3

2.4 Revenue Recognition

Revenue is recognized on accrual basis of accounting.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Interest Income received on account of Government Grants for Capital Projects is capitalized and not shown as income.

Interests earned on the investments made with banks out of Smart City Grants are allocated in the ratio of Smart City Project Grants & Smart City (A & OE) Grants before allocation of interest and transfer of Project and (A&OE) expenses given below in view of grants maintained in single bank Account.

Bank Interest Apportionment in Grant received ratio

Particulars	2020-21	2019-20
Grants	Amount (Rs)	Amount (Rs)
Capital Grant (Mission Grant)	3,71,90,00,000	3,71,90,00,000
Revenue Grant (A&OE Grant)	24,00,00,000	14,00,00,000
Total	3,95,90,00,000	3,85,90,00,000

Particulars	Amount (Rs)	Amount (Rs)
Total Bank interest received	13,78,59,386	22,22,95,652
Interest capitalized	12,95,02,161	21,42,31,026
Interest treated as Revenue	83,57,225	80,64,626

2.5 Provisions and contingent liabilities

A provision is recognized when the Company has present obligations as a result of past event, it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligations at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimate. All known liabilities wherever material are provided for. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

2.6 Government grants

Government grants are not recognized until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

The Project related expenses are deducted from Smart City Project Grant and Administrative and office expenses are deducted from Smart City (A & OE) Grant.

2.7 Employee benefits

Short-term employee benefits

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

Post-employment and other long-term employee benefits

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

2.8 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Deferred Tax Asset is not recognized during the year as there is no reasonable certainty of future taxable income against which it can be offset.

2.9 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a written down basis over their estimated useful lives, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Nature of Asset	Useful Life
Software	3 Years

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the profit or loss when the asset is derecognized.

2.10 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.11 Remuneration Policy

Remuneration paid to the Managing Director in the financial year ended 31st March 2021 is Rs 10,49,376

2.12 Related Party Transaction

During the year, the Company has not entered into contract or arrangements with the related which attracted the provisions of section 188(1). Thus, discloser in Form AOC-2 is not required.

2.13 Amortization of Preliminary and Project Expenses

Preliminary expenses are written off 1/5 th every year over the period of 5 years

Preliminary expenses

Particulars	Asat 31st March 2021	As at 31st March 2020
	Amount (Rs.)	Amount (Rs.)
Pre-incorporation chgs (SPV Reg)	1,08,16,887	1,62,25,331
Less: 1/5 th Write off for the year	54,08,444	54,08,444
Total	54,08,444	1,08,16,887

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (Rs.)	Amount (Rs.)
Advertisement Expenses	19,82,067	30,86,133
Angeri Market	1,27,27,872	-
SUP Package-01	13,10,62,523	12,46,92,074
SUP Package-02	5,45,95,731	-
SUP Package-03	13,93,23,282	4,58,65,223
CTV	29,23,756	-
Chitaguppi Hospital	80,56,337	-
Command and control centre	1,71,37,904	41,41,645
Consultation charges	5,58,715	24,30,647
Consultation charges (PWC)	3,63,27,858	3,02,96,687
toilet	2,02,081	-
Cost of Living -Survey Charges	-	5,20,400
Fish Markets	57,95,094	42,29,118
Glass House	90,53,642	-
CCC	64,28,981	19,89,60,523
CCC Building service	3,36,35,412	83,50,912
CCC Interior	2,20,40,353	-
Janata Bazar Market-Rehabilitation	2,25,01,646	-
Netting Machine	1,14,28,164	-
Nedra Oni	31,24,440	-
Master System Integrator	-	8,90,88,750
MG Park	5,05,04,895	4,40,99,502
MSME Industrial Area Package -01	10,69,74,516	4,71,80,561
Neturu Stadium	30,93,494	-
Old Hubballi Market	12,41,897	-
Project Expenses-COVID-19 Software Expenses	3,55,532	-
Project Expenses-Vehicle Supply to HDMC	5,70,105	-
Public Bicycle Sharing	-	34,00,000
Ruzzle Parking	2,74,38,419	45,96,055
Quality Control Laboratory	36,31,061	-
Smart Health	61,11,997	1,81,39,367
Smart Road Package-02	9,27,58,680	2,35,16,000
Smart School	32,34,979	61,02,443
Smart Road Package-04	9,05,68,453	4,43,66,813
Smart Road Package-05	10,45,26,957	-
Smart Road Package-06	12,05,34,651	-
Swimming pool	54,09,948	2,18,08,926
Tipper -Garbage Tipper Vehicle	-	1,35,75,000
Uplankere	3,42,00,974	4,77,26,490

oy Train	42,00,000	-
Inakal Lake Phase-1	2,10,50,085	-
Inkal Market	64,78,739	-
ransferred to Project Grant	1,20,17,91,240	78,61,73,26

2.14 Earnings per Share (EPS)

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

2.15 Cash flow statement

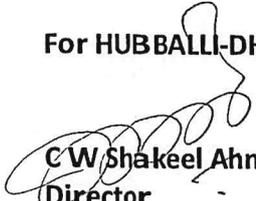
The Cash Flow Statement is prepared by the indirect method set out in AS 3 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.16 Contingent Liability

PWC has performed Project expenses similar to Government function. GST amount raised by Price Water Cooper is not paid by the company as its pure service contract and same is under litigation

Contact awarded in Pre-GST Era of swimming pool and executed in GST Period. Same is under litigation in court with respect to GST Payment

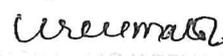
For HUBBALLI-DHARWAD SMART CITY LIMITED


C W Shakeel Ahmed
Director
DIN:08168997


S B Shetty
Director
DIN: 08302682

Place: Hubballi
Date:

M/s. UMASHANKAR & CO.
CHARTERED ACCOUNTANTS
Reg. No. 304468S


(UMASHANKAR HIREMATH)
PARTNER & Co. No: 024782

4-11-2021



HUBBALLI-DHARWAD SMART CITY LIMITED

F Block 4th Floor, IT Park, Opposite Indira Glass House, Hubballi 580029

CIN U74999KA2017PLC101265

Email Id: smartcityhubballidharwad@gmail.com, Phone Number: 0836-2355331, Website:

<http://www.hubballidharwadsmartcity.com/>

Balance Sheet as at 31st March 2021

S.No.	Particulars	Note No.	As on 31-03-2021 Amount in Rs	As on 31-03-2020 Amount in Rs
I	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	3	10,00,000	10,00,000
	(b) Reserves and Surplus	4	(3,00,08,517)	(2,55,01,377)
			(2,90,08,517)	(2,45,01,377)
2	Smart City Mission Fund	5		
	(a) Smart City Mission Project & A&O E Grants		2,44,35,59,982	3,45,51,77,594
3	Current Liabilities			
	(a) Other Current Liabilities	6	1,24,39,190	2,35,68,092
	(b) Short-term Provisions	7	17,91,015	14,37,797
	Total Liabilities		2,45,77,90,187	3,48,01,83,483
	Total Equity and Liabilities		2,42,87,81,670	3,45,56,82,106
II	ASSETS			
1	Non Current assets			
	(a)Property, Plant and Equipment			
	(i) Tangible Assets	8	16,94,929	25,04,964
	(ii) Intangible Assets	8	2,27,025	6,16,241
	(b)Deferred tax assets (net)	17	-	-
	(c) Long term loans & Advances	9	4,48,44,914	10,33,581
	(d)Other non-current assets	10	54,08,443	1,08,16,887
	TOTAL NON-CURRENT ASSETS		5,21,75,311	1,49,71,673
2	Current assets			
	(a)Cash and Cash Equivalents	11	2,36,55,55,496	3,40,34,01,650
	(b)Other current assets	12	1,10,50,863	3,73,08,783
	TOTAL CURRENT ASSETS		2,37,66,06,359	3,44,07,10,433
	TOTAL ASSETS		2,42,87,81,670	3,45,56,82,106

Significant Accounting Policies & Notes forming
part of Financials Statement
Contingent Liability

Note 1-21

Note 21

By Order of the Board of Directors

HUBBALLI-DHARWAD SMART CITY LIMITED

CW Shakeel-Ahmed
Managing Director

DIN: 08168997

Add: Chitradurga-577501

Place: HUBBALLI

Date: 08.11.2021

S B Shetty
Director

DIN: 08302682

Add: Time Square Building
Vidyanagar Hubballi-580031.

Pavan Pise
Company Secretary
A/2117

As per Our Report of Even Date

For UMASHANKAR & Co

Chartered Accountants

FRN : 004456S

UMASHANKAR HIREMATH
PARTNER

M.No 024752

UDIN:21024752AAAAKX7743



HUBBALLI-DHARWAD SMART CITY LIMITED
F Block 4th Floor, IT Park, Opposite Indira Glass House, Hubballi 580029
CIN U74999KA2017PLC101265

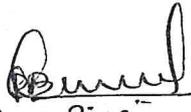
Email Id: smartcityhubballidharwad@gmail.com, Phone Number: 0836-2355331, Website:
http://www.hubballidharwadsmartcity.com/
Statement of Profit and Loss for the period 01/04/2020 to 31/03/2021

S.No.	Particulars	Note No.	For the Period of 01-04-2020 to 31-3-2021	For the Period of 01-04-2019 to 31-3-2020
I	Revenue from Operations			
II	Other Income	16	24,63,937	2,40,602
III	Total Revenue	(I + II)	24,63,937	2,40,602
IV	Expenses			
	Cost of Material Consumed			
	Purchase of Stock-In-Trade			
	Changes in inventories of finished goods, work-in progress and Stock-in-Trade			
	Employee Benefit Expenses			
	Depreciation and Amortization	14	69,71,077	84,69,865
	Other Expenses			
	Total Expenses		69,71,077	84,69,865
V	Loss before exceptional and extraordinary items and tax	(III - IV)	(45,07,140)	(82,29,263)
VI	Exceptional Items			
VII	Loss before extraordinary items and tax	(V - VI)	(45,07,140)	(82,29,263)
VIII	Extraordinary Items			
IX	Loss before tax (VII - VIII)		(45,07,140)	(82,29,263)
X	Deferred tax	17	-	-
XI	Loss from the period from continuing operations	(IX-X)	(45,07,140)	(82,29,263)
XII	Profit/Loss from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/Loss from Discontinuing operations (XII - XIII)		-	-
XV	Profit (Loss)After Tax for the Period		(45,07,140)	(82,29,263)
XVI	Earnings per equity share:			
	Basic		-450.71	(822.93)
	Diluted		-450.71	(822.93)
	Nominal Value of per share Rs. 100/-			
See accompanying notes forming part of the financial statements				

By Order of the Board of Directors
HUBBALLI-DHARWAD SMART CITY LIMITED

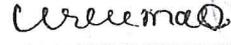

C W Shakeel Ahmed
Managing Director
DIN: 08168997
Add: Chitradurga-577501
Place: HUBBALLI
Date: 08.11.2021

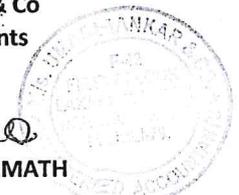

S B Shetty
Director
DIN: 08302682
Add: Time Square Building
Vidyanagar Hubballi-580031.


Pavan Pise
Company Secretary
A 2117

As per Our Report of Even Date

For UMASHANKAR & Co
Chartered Accountants
FRN : 004456S


UMASHANKAR HIREMATH
PARTNER
M.No 024752
UDIN:21024752AAAAKX7743



HUBBALLI-DHARWAD SMART CITY LIMITED
F Block 4th Floor, IT Park, Opposite Indira Glass House, Hubballi 580029
CIN U74999KA2017PLC101265

Email Id: smartcityhubballidharwad@gmail.com, Phone Number: 0836-2355331, Website: <http://www.hubballidharwadsmartcity.com/>

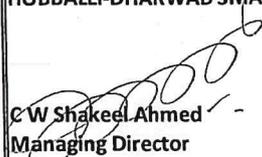
Cash Flow Statement for the Year ended 31st March, 2021

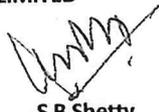
Particulars	Year Ended 31st March 2021		Year Ended 31st March 2020	
	Rs.		Rs.	
A. Cash flow from Operating Activities :				
Net Profit/(Loss) before Tax		(45,07,140)		(82,29,263)
Adjustments for:				
Deffered tax adjustment			-	
Depreciation and Ammortization	15,62,633	15,62,633	30,61,421	30,61,421
		(29,44,507)		(51,67,842)
Operating Profit Before Working Capital Changes				
Adjustments for:				
Add: Increase in Trade Payables	-		2,18,74,395	
Less: Decrease in Trade Payables	(1,11,28,902)		-	
Add: Increase in Provisions	3,53,218		12,57,812	
less: Increase in Loans and Advances	(4,38,11,333)		(1,82,538)	
Add: Decrease in other Current Assets (Preliminary expenses)	54,08,444		54,08,444	
less: Increase in other Current Assets (TDS)	-		(2,12,20,765)	
Add: Decrease in other Current Assets (TDS)	2,62,57,920		-	
		(2,29,20,653)		71,37,348
Net Cash Flow from Operating Activities		(2,58,65,160)		19,69,506
B. Cash flow from Investing Activities:				
Purchase of Fixed Assets	(3,63,382)		(7,44,941)	
Increase/ Decrease in Fixed Deposits	-			
Net Cash used in Investing Activities		(3,63,382)		(7,44,941)
C. Cash flow from Financing Activities				
Issue of share capital				
Smart city Mission grant		(1,57,34,40,073)		(59,19,42,243)
Add : Grant received during the year				
Add : Interest capitalized	12,95,02,161		21,42,31,026	
Less: Project expenses incurred for the year	(1,20,17,91,240)		(78,61,73,269)	
Less : Contribution to CITIIS Project	(50,00,00,000)		(2,00,00,000)	
Add : Penalty for Non Performance added to Project Grant	6,25,646			
Less: Excess Interest Bank of India Accounted PY	(17,76,640)			
		6,55,70,004		8,71,33,588
Smart city Mission grant (Admin & OE) after deduction				
Add : Grant received during the year	10,00,00,000		8,00,00,000	
Add: Interest earned on Grant	83,57,225		80,64,626	
Less : Admin and Office expenses for the year	(2,38,08,146)		(2,09,31,038)	
Add: Expenses incurred on behalf of CITIIS Project Reimbursed	10,93,793		2,00,00,000	
Less : Excess Interest Bank of India Accounted PY	(66,881)			
Less : Deducted by KUIDFC	(2,00,00,000)			
Less : TDS Rectification	(5,987)			
		49,62,52,455		8,00,00,000
CITIIS - Green Mobility Corridor Project Fund				
Grant Received	50,00,00,000		8,00,00,000	
Less: Bank Charges	(195)			
Less: Project Expenses of CITIIS (Note no 13 b)	(59,58,454)			
Add: Interest Capitalised	22,11,104			
		(1,01,16,17,614)		(42,48,08,655)
Net Cash Flow from Financing Activities				

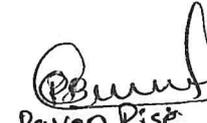


Net Increase/(Decrease) in Cash and Cash Equivalents	(1,03,78,46,156)	(42,35,84,090)
Cash and Cash Equivalents - Opening Balance	3,40,34,01,651	3,82,69,85,740
Cash and Cash Equivalents - Closing Balance (Refer Note 17)*	2,36,55,55,495	3,40,34,01,651
* Comprises:		
a) Cash on hand		-
b) Balances with Bank		
i) In Savings Accounts	5,07,29,889	71,80,755
ii) In Current Accounts	63,58,52,741	8,00,09,805
iii) In Deposit Accounts	1,52,67,48,185	3,16,35,43,022
iv) In Sweep Deposit	15,22,24,680	15,26,68,069
	2,36,55,55,495	3,40,34,01,651
See accompanying notes to the financial statements	(0)	0

By Order of the Board of Directors
HUBBALLI-DHARWAD SMART CITY LIMITED


C W Shakeel Ahmed
Managing Director
DIN: 08168997
Add: Chitradurga-577501
Place: HUBBALLI
Date: 08.11.2021


S B Shetty
Director
DIN: 08302682
Add: Time Square Building
Vidyanagar Hubballi-580031.


Pavan Pise
Company Secretary
A42117

As per Our Report of Even Date
For UMASHANKAR & Co
Chartered Accountants
FRN : 0044565


UMASHANKAR HIREMATH
PARTNER
M.No 024752
UDIN:21024752AAAAKX7743



4-11-2021

HUBBALLI-DHARWAD SMART CITY LIMITED
Notes forming part of Financial Statements

Note No.

3 (a)

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Equity Shares	Amount (Rs.)	No. of Equity Shares	Amount (Rs.)
Share Capital				
(i) Authorised Capital:				
- Equity Share of Rs. 100/- each with voting rights	2,00,00,000	2,00,00,00,000	2,00,00,000	2,00,00,00,000
Total	2,00,00,000	2,00,00,00,000	2,00,00,000	2,00,00,00,000
(ii) Issued, Subscribed and fully paid up				
- Equity Shares of Rs. 100/- each with voting rights	10,000	10,00,000	10,000	10,00,000
Total	10,000	10,00,000	10,000	10,00,000

3(b) **Rights, Preferences and restrictions attached to shares:**

Equity Shares: The Company has issued one class of Equity Shares having a Par Value of Rs.100/- Per Share. Each Share Holder is eligible for one Vote per Share held and proportionate rights in the dividends as and when declared by the Company.

3(c) **Reconciliation of the number of Equity shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Equity Shares	Amount (Rs.)	No. of Equity Shares	Amount (Rs.)
Opening Balance:	10,000	10,00,000	10,000	10,00,000
Add: Shares Issued during the year				
	10,000	10,00,000	10,000	10,00,000

3(d) **Details of shareholders holding more than 5 % of the aggregate Equity shares in the Company**

Particulars	As at 31st March 2021		As at 31st March 2020	
	No of Equity Shares	% of holding	No of Equity Shares	% of holding
His Excellency Governor of Karnataka	5000	50.00%	5000	50.00%
Hubballi-Dharwad Municipal Corporation	4995	49.95%	4995	49.95%
Sri. Darpan Jain	1	0.01%	1	0.01%
Sri. A B Ibrahim	1	0.01%	1	0.01%
Smt. Deepa M Cholan	0	0.00%	1	0.01%
Sri Nitesh Patil	1	0.01%	0	0.00%
Sri.Dheerendra S Saraf	1	0.01%	1	0.01%
Smt.laxmi Uppar	1	0.01%	1	0.01%
	10,000	100.00%	10,000	100.00%



HUBBALLI DHARWAD SMART CITY LIMITED
Notes forming part of Financial Statements for the year ending 31st March 2021

Note No.

4 Reserves and Surplus

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (Rs.)	Amount (Rs.)
Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	(2,55,01,377)	(1,72,72,114)
Add : Net loss for the Year	(45,07,140)	(82,29,263)
Total	(3,00,08,517)	(2,55,01,377)
Total Reserves and Surplus	(3,00,08,517)	(2,55,01,377)

5 Smart City Mission Fund

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (Rs.)	Amount (Rs.)
a) Smart City Mission Project Grants	3,27,26,97,150	3,86,46,39,393
Add : Grant transfer from A & OE	-	(2,00,00,000)
Add : Grant Received during the year	-	-
Add : Interest earned capitalised	12,95,02,161	21,42,31,026
Less: Contribution to CITIIS Project	(50,00,00,000)	-
Less: Excess Accrued Interest of Bank of India Reversed	(17,76,640)	-
Add: Penalty for non performance added back to project grant	6,25,646	-
	2,90,10,48,317	4,05,88,70,419
Less : Project expenses incurred for the year (Note no 13)	(1,20,17,91,240)	(78,61,73,269)
	1,69,92,57,077	3,27,26,97,150
b) Smart City Mission Project Grants- (Admi & Other Expns)	10,24,80,443	1,53,46,855
Add: Grant Received during the year	10,00,00,000	8,00,00,000
Less: Amount deducted by KUIDFC	(2,00,00,000)	-
Less: TDS Entry Reversed	(5,987)	-
Add: Grant transferred to project Grant	-	2,00,00,000
Add: Interest earned on Grant	83,57,225	80,64,626
Add: Expenses incurred on behalf of CITIIS Project Reimbursed	10,93,793	-
Less: Excess Accrued Interest of Bank of India Reversed	(66,881)	-
	19,18,58,593	12,34,11,481
Less : Admin and Office expenses for the year (Note no 15)	(2,38,08,146)	(2,09,31,038)
	16,80,50,447	10,24,80,443
CITIIS - Green Mobility Corridor Project Fund	8,00,00,000	8,00,00,000
Canara Bank-336 CITIIS Project A/c	50,00,00,000	-
Less: Bank Charges	(195)	-
Less: Project Expenses of CITIIS (Note no 13 b)	(59,58,452)	-
Add: Interest Capitalised	22,11,104	-
Total	57,62,52,457	8,00,00,000
Total	2,44,35,59,982	3,45,51,77,594



6 Other Current Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (Rs.)	Amount (Rs.)
KGID	1,950	6,450
LIC Payable	29,207	14,651
PT Payable	-	3,800
CGST Payable	22,94,154	10,67,694
SGST Payable	22,94,154	10,67,694
CBF	7,229	1,29,407
Labour cess	9,31,072	29,37,229
Royalty	1,89,867	16,88,329
TDS payable	58,50,791	24,47,001
KEONICS Hubli Outsourced Salary Payable	6,04,985	6,30,837
Continental Engines Pvt Ltd	-	1,35,75,000
Telephone bill payable	1,637	-
Other Payable	8,144	-
Dult fund for cycle purchase	2,26,000	-
Total	1,24,39,190	2,35,68,092

7 Short term provisions

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (Rs.)	Amount (Rs.)
Salary payable	10,28,611	7,71,574
GIS	2,280	2,520
Audit Fees payable	60,240	39,600
GPF Payable	20,000	37,000
Rent Payable	78,909	65,888
Vehicle Hire Charges Payable	2,00,700	1,67,040
Consultancy Fees Payable	86,500	76,500
NPS payable	1,71,675	67,275
PT Payable	6,600	-
TDS Employee payable	1,35,500	2,10,400
Total	17,91,015	14,37,797



HUBBALLI- DHARWAD SMART CITY LIMITED
F Block 4th Floor, IT Park, Opposite Indira Glass House, Hubballi 580029

Note No 8
Financial Year: 2020-21
Assessment Year : 2021-22

Depreciation as per Income Tax Act, 1961

Particulars	Rate	WDV as at 01.04.2020	Actual cost of additions put to use		Total	Deletions (Sale Proceeds)	Depreciation Allowable	Written Down Value as at:31.03.2021
			> 180 days	< 180 days				
Office Equipments	15%	2,85,418	23,346	22,330	3,31,094	-	47,989	2,83,105
Furniture and Fixtures	10%	15,40,719	7,080	36,800	15,84,599	-	1,56,620	14,27,979
Computer Hardware	40%	8,47,713	2,68,078	5,748	11,21,539	-	4,47,466	6,74,073
Intangible Assets - GIS SOFTWARE	40%	15,70,627	-	-	15,70,627	-	6,28,251	9,42,376
Building	15%	14,27,690	-	-	14,27,690	-	2,14,154	12,13,537
Total		56,72,168	2,98,504	64,878	60,35,550	-	14,94,480	45,41,070

Note No 8

Financial Year: 2020-21
Assessment Year : 2021-22

HUBBALLI- DHARWAD SMART CITY LIMITED
F Block 4th Floor, IT Park, Opposite Indira Glass House, Hubballi 580029

Depreciation as per Companies Act, 2013

Particulars	Useful Life of Asset(Year s)	WDV as at 01.04.2020	Actual cost of additions put to use		Total	Deletions (Sale Proceeds)	Depreciation Allowable	Written Down Value as at 31.03.2021
			> 180 days	< 180 days				
Office Equipments (UPS)	15	2,78,758	23,346	22,330	3,24,434	-	22,410	3,02,024
Furniture and Fixtures	10	11,79,728	7,080	36,800	12,23,608	-	3,58,091	8,65,517
Computer Hardware	3	5,89,333	2,68,078	5,748	8,63,159	-	5,04,185	3,58,974
Intangible Assets - GIS SOFTWARE	3	6,16,241	-	-	6,16,241	-	3,89,216	2,27,025
Building	3	4,57,145	-	-	4,57,145	-	2,88,731	1,68,414
Total		31,21,205	2,98,504	64,878	34,84,587	-	15,62,633	19,21,954



HUBBALLI DHARWAD Smart City Ltd
Notes forming part of Financial Statements

Note No

9 Long term loan & Advances

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (Rs.)	Amount (Rs.)
Office Deposit	7,18,000	7,18,000
TDS on Director Sitting fees	-	6,000
Sundry Receivables	-	63,865
Vijaykumar Sajjan-CS-Advance	-	1,57,700
Telephone Deposit	589	-
Mobilization Advance to Contractor	4,41,26,325	-
Contractors Receivable	-	88,016
Total	4,48,44,914	10,33,581

Other Non-current Assets

10 Preliminary expenses

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (Rs.)	Amount (Rs.)
Comp formation chgs (SPV Reg)	1,08,16,887	1,62,25,331
Less: 1/5 th Write off for the year	54,08,444	54,08,444
Total	54,08,443	1,08,16,887

Cash and Cash Equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (Rs.)	Amount (Rs.)
11 Cash on hand	-	-
Balances with Bank		
-Savings account with SBI 26661	5,05,86,020	71,53,619
-Savings account with Canara Bank -15331	1,43,869	27,136
-Current account with State bank of India 6617	13,18,37,172	10,000
-Canara Bank-336 CIITIS Project A/c 39224624494 SBI A/c	50,40,15,569	7,99,99,805
		10,76,54,197
- in Flexible Deposits		
FD with Canara Bank	7,15,00,000	-
FD with KVG Bank	71,86,43,489	1,22,50,00,000
FD with Indian Bank	-	82,50,00,000
SBI FD A/c No. SBI-39844970899	2,59,84,750	-
SBI-Sweep-40074453810	2,00,000	-
SBI-Sweep-40076425166	12,60,39,930	-
SBI FD A/c No. SBI-39144920742	-	4,50,13,871
FD With Axis Bank	70,02,83,460	1,05,00,00,000
Accrued Interest	3,63,21,237	6,35,43,022
Total	2,36,55,55,495	3,40,34,01,650

12 Other Current Assets

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (Rs.)	Amount (Rs.)
Income Tax (TDS Receivable FY 18-19)	-	1,50,27,876
Income Tax (TDS Receivable FY 19-20)	-	2,22,80,907
Income Tax (TDS Receivable FY 20-21)	1,08,85,031	-
CITIIS Income Tax (TDS Receivable FY 20-21)	1,65,832	-
Total	1,10,50,863	3,73,08,783

HUBBALLI DHARWAD SMART CITY LIMITED

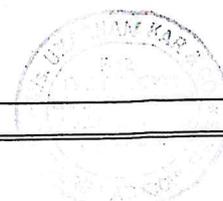
Notes forming part of Financial Statements for the year ended March 31st ,2021

13 (a) Project Related expenses

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (Rs.)	Amount (Rs.)
Advertisement Expenses	19,82,067	30,86,133
Bengeri Market	1,27,27,872	-
BSUP Package-01	13,10,62,523	12,46,92,074
BSUP Package-02	5,45,95,731	-
BSUP-Package-03	13,93,23,282	4,58,65,223
CC TV	29,23,756	-
Chitaguppi Hospital	80,56,337	-
Command and control centre	1,71,37,904	41,41,645
Consultation charges	5,58,715	24,30,647
Consultation charges (PWC)	3,63,27,858	3,02,96,687
E toilet	2,02,081	-
Ease of Living -Survey Charges	-	5,20,400
Fish Markets	57,95,094	42,29,118
Glass House	90,53,642	-
ICCC	64,28,981	19,89,60,523
ICCC Building service	3,36,35,412	83,50,912
ICCC Interior	2,20,40,353	-
Janata Bazar Market-Rehabilitation	2,25,01,646	-
Jetting Machine	1,14,28,164	-
Medar Oni	31,24,440	-
Master System Integrator	-	8,90,88,750
MG Park	5,05,04,895	4,40,99,502
MSME Industrial Area Package -01	10,69,74,516	4,71,80,561
Nehru Stadium	30,93,494	-
Old Hubballi Market	12,41,897	-
Project Expenses-COVID-19 Software Expenses	3,55,532	-
Project Expenses-Vehicle Supply to HDMC	5,70,105	-
Public Bycycle Sharing	-	34,00,000
Puzzle Parking	2,74,38,419	45,96,055
Quality Control Laboratory	36,31,061	-
Smart Health	61,11,997	1,81,39,367
Smart Road Package-02	9,27,58,680	2,35,16,000
Smart School	32,34,979	61,02,443
Smary Road Package-04	9,05,68,453	4,43,66,813
Smary Road Package-05	10,45,26,957	-
Smary Road Package-06	12,05,34,651	-
Swimming pool	54,09,948	2,18,08,926
Tipper -Garbage Tipper Vehicle	-	1,35,75,000
Tolankere	3,42,00,974	4,77,26,490
Toy Train	42,00,000	-
Unakal Lake Phase-1	2,10,50,085	-
Unkal Market	64,78,739	-
Transferred to Project Grant	1,20,17,91,240	78,61,73,269

Project Related expenses of CITIIS

Particulars	As at 31st March 2021	As at 31st March 2020
	Amount (Rs.)	Amount (Rs.)
Project Expenses	-	-
Advertisement	1,82,953	-
Bank Charges	446	-
Consultancy Charges	39,87,220	-
Outsource Salary	16,81,541	-
Printing Charges	70,800	-
Statuary Audit Fees	23,600	-
Travelling Expences	11,892	-
Total	59,58,452	-



Depreciation and amortisation

Note 14	Particulars	As at 31st March 2021	As at 31st March 2020
		Amount (Rs.)	Amount (Rs.)
	Depreciation	15,62,633	30,61,421
	Amortisation of Preliminary Expenses	54,08,444	54,08,444
		69,71,077	84,69,865

Note Administrative and Other expenses

Note 15 (a)	Particulars	As at 31st March 2021	As at 31st March 2020
		Amount (Rs.)	Amount (Rs.)
	Employee Benefit expenses		
	Salaries and Wages	1,37,34,882	99,45,625
	Leave encashment	75,209	73,501
		1,38,10,091	1,00,19,126
15 (b)	Other Administrative expenses		
	Award Nomination Fees		47,200
	Bank Charges	2,610	3,355
	Board of director Meeting expenses		40,143
	Car Hire of vehicles	23,07,131	16,57,838
	Computer Maintenance	1,30,871	1,77,757
	Consultation charges	3,77,500	1,80,000
	DEMAT charges	1,337	21,781
	Deputation Allowance	-	55,830
	Digital Key expenses	-	4,800
	Director Honorarium Expenses	24,000	16,000
	Domain Renewal Charges	18,150	13,950
	Electricity Charges	1,53,285	1,81,360
	Google Renewal Charges	3,400	-
	GST paid	42,411	10,638
	Inaugural Expenses	76,900	4,16,120
	Internet Charges & Software	2,03,904	1,62,532
	Lift Rent and Repairs	22,000	14,000
	Office Rent	8,85,148	8,13,944
	News paper & Periodicals	9,728	9,672
	Office Expenses	3,67,759	4,92,405
	Outsourced Salary	36,16,050	33,51,213
	Photo and video Charges	26,410	50,460
	Postage	2,000	6,000
	Printing & Stationary	2,71,942	2,75,407
	Professional fees	-	2,36,000
	Rent Paid MD House	3,00,000	3,00,000
	Repairs and Maintenance	1,67,811	13,242
	ROC - Fees	1,92,000	24,000
	Sitting Fees	30,000	53,000
	SMS Charges	-	3,540
	Statutory Audit Fees	59,840	53,000
	Telephone Expense	3,13,917	1,25,642
	Tipper Vehicle Maintenance	-	9,647
	Traveling expenses	1,98,369	19,31,416
	TV Hiring Charges	5,900	4,720
	Water Charges	26,840	29,600
	Website Maintainance expenses	1,29,690	1,25,700
	Zoom Subscription Charges	31,152	-
		99,98,055	1,09,11,912
	OE Grant]] Total	2,38,08,146	2,09,31,038

Indirect Income

Note 16	Particulars	As at 31st March 2021	As at 31st March 2020
		Amount (Rs.)	Amount (Rs.)
	Rent of E-Toilet	-	9,200
	Swimming Pool Fees	-	1,93,420
	Interest on IT refund	24,63,937	37,982
		24,63,937	2,40,602

HUBBALLI-DHARWAD SMART CITY LIMITED
 F Block 4th Floor, IT Park, Opposite Indira Glass House, Hubballi 580029
 CIN U74999KA2017PLC101265

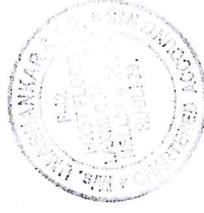
Email Id: smartcityhubballidharwad@gmail.com, Phone Number: 0836-2355331, Website: <http://www.hubballidharwadsmartcity.com/>

**Note No. 17
 Deferred Tax Computation**

Tax rate =26%

Particulars	As per Companies Act	As per Income Tax Act	Deferred Tax Component	Deferred Tax for the Year	Opening Balance	Closing Balance
Depreciation	15,62,633	14,94,480	68,153	17,720	-	17,720
Total	15,62,633	14,94,480	68,153	17,720	-	17,720

Note : As a Matter of Prudence Deffered Tax Asset is not Recognized



18 Payment to Auditors (Net of GST)

Particulars	As at 31st March 2021	As at 31st March 2020
As Auditors:	56,000	44,000
As Advisor in other capacity	-	-
GST Matter	-	-
Company Law Matter	-	-
Taxation Matter	-	-
Total	56,000	44,000

19 As Per the Information and returns provided by the management of the company, we have been informed that there are no Micro and Small Enterprises to whom the company owns dues 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.

20 Related Party Disclosures

20.1	List of related parties with relationships	As at 31st March 2021	As at 31st March 2020
	Relationships	Name of related parties	Name of related parties
	Subscriber to Share Capital	Hubballi-Dharwad Municipal Corporation	Hubballi-Dharwad Municipal Corporation
	Hubballi-Dharwad Municipal Corporation Project Expenses-Vehicle Supply to HDMC	5,70,105	1,35,75,000
	Wholly owned Subsidiary Company	Nil	Nil

Note : Related party relationship is as identified by the company and relied upon by the auditors.



HUBBALLI-DHARWAD SMART CITY LIMITED
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Note No. 21

Contingent Liability

Particulars	Taxable Amount	CGST	SGST	IGST	Total Contingent Liability
Price Water House Coopers	85,88,657	-	-	15,45,959	15,45,959
Price Water House Coopers	1,20,19,884	-	-	21,63,580	21,63,580
Total	2,06,08,541	-	-	37,09,539	37,09,539

Note: As infomed PWC has performed Project expenses similar to Government function . GST amount raised by Price Water Cooper is not paid by the company as its pure service contract and same is under litigation

Sulaiman Asif (Swimming pool)

Total Amount Paid upto 31/03/21	7,22,96,178				42,05,182
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Contact awarded in Pre GST Era and executed in GST Period. Same is under litigation in court with respect to GST Payment



Subschedule -17**1 Bank Interest Apportionment in Grant received ratio**

Particulars	2020-21	2019-20
Grants	Amount (Rs)	Amount (Rs)
Capital Grant (Mission Grant)	3,71,90,00,000	3,71,90,00,000
Revenue Grant (A&OE Grant)	24,00,00,000	14,00,00,000
Total	3,95,90,00,000	3,85,90,00,000

Particulars	Amount (Rs)	Amount (Rs)
Total Bank interest received	13,78,59,386	22,22,95,652
Interest capitalized	12,95,02,161	21,42,31,026
Interest treated as Revenue	83,57,225	80,64,626

