

PUNE SMART CITY

DEVELOPMENT CORPORATION LTD.

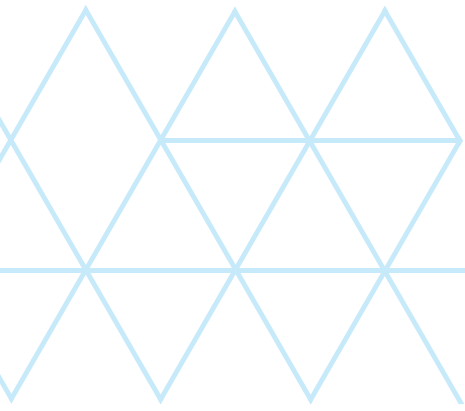


1st ANNUAL REPORT 2016-17

An aerial photograph of a city at sunset. The sky is a mix of orange, yellow, and blue. In the foreground on the right, a modern skyscraper with a curved, glass facade is visible. The city below is densely packed with buildings, and a river or body of water is visible in the lower left. The overall mood is futuristic and urban.

**A SIGHT SET
FIRMLY ON
SMART PUNE**





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ANNUAL GENERAL MEETING
Saturday, December 30, 2017 | Time: 11.30 AM
Venue: 5th Floor, MCCIA, ICC Trade Towers, Senapati Bapat Road, Pune - 411016



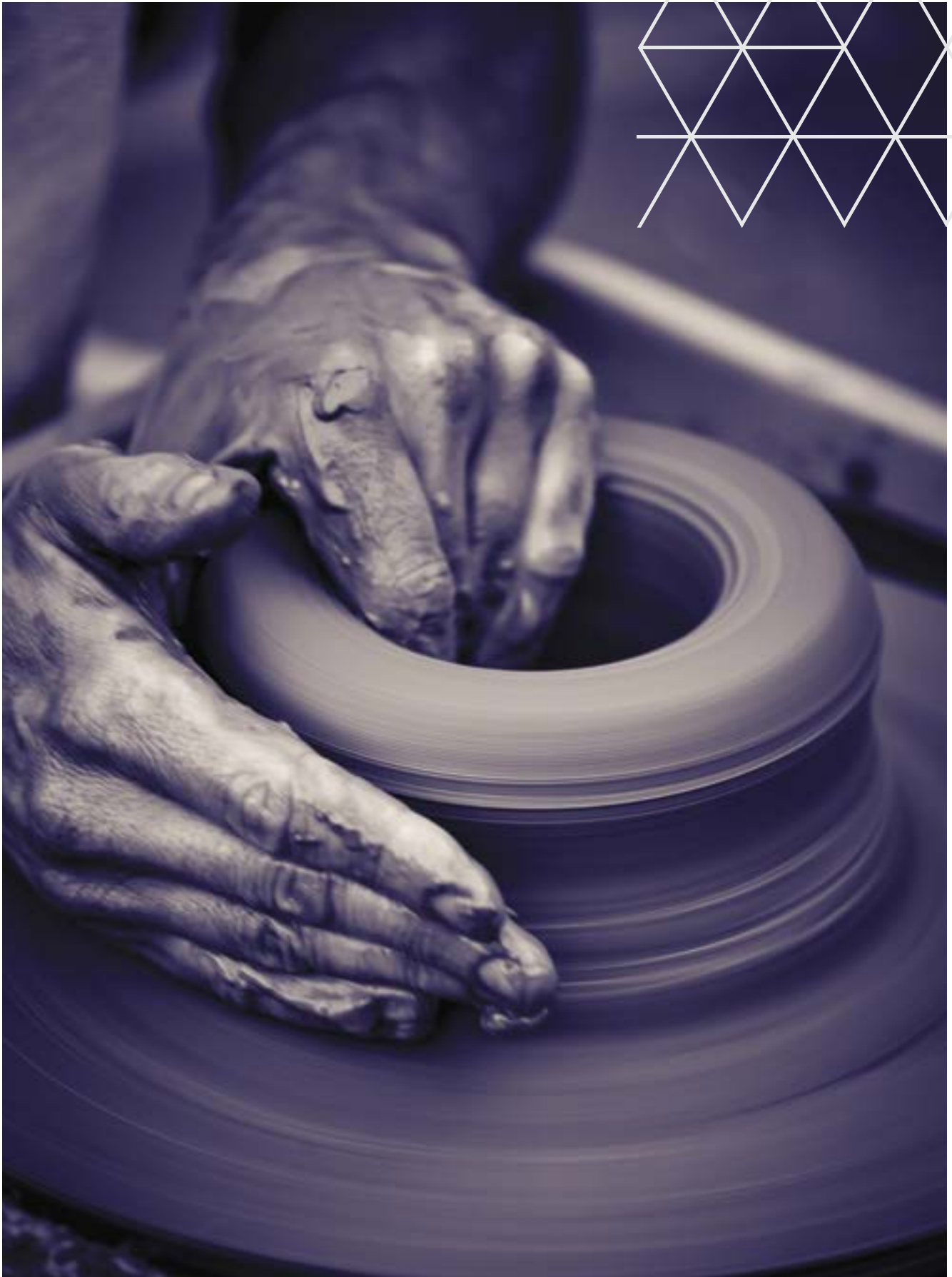


WHAT IS SMART CITY

In the approach of the Smart Cities Mission, the objective is to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' Solutions. The focus is on sustainable and inclusive development and the idea is to look at compact areas, create a replicable model which will act like a light house to other aspiring cities.

The core infrastructure elements in a smart city would include: adequate water supply, assured electricity supply, sanitation which includes solid waste management, efficient urban mobility and public transport, affordable housing especially for the poor, robust IT connectivity and digitalization, good governance, especially e-Governance and citizen participation, sustainable environment, safety and security of citizens particularly women, children and the elderly, and health and education.







SMART CITY FEATURES

Some typical features of comprehensive development in Smart Cities are described below.

- Promoting mixed land use in area based developments - planning for 'unplanned areas' containing a range of compatible activities and land uses close to one another in order to make land use more efficient. The States will enable some flexibility in land use and building bye-laws to adapt to change;
- Housing and inclusiveness - expand housing opportunities for all;
- Creating walkable localities - reduce congestion, air pollution and resource depletion, boost local economy, promote interactions and ensure security. The road network is created or refurbished not only for vehicles and public transport, but also for pedestrians and cyclists, and necessary administrative services are offered within walking or cycling distance;
- Preserving and developing open spaces - parks, playgrounds, and recreational spaces in order to enhance the quality of life of citizens, reduce the urban heat effects in areas and generally promote eco-balance;
- Promoting a variety of transport options - Transit Oriented Development (TOD), public transport and last mile para-transport connectivity;
- Making governance citizen-friendly and cost effective - increasingly rely on online services to bring about accountability and transparency, especially using mobiles to reduce cost of services and providing services without having to go to municipal offices. Forming e-groups to listen to people and obtain feedback and use online monitoring of programs and activities with the aid of cyber tour of worksites;
- Giving an identity to the city - based on its main economic activity, such as local cuisine, health, education, arts and craft, culture, sports goods, furniture, hosiery, textile, dairy, etc;
- Applying Smart Solutions to infrastructure and services in area-based development in order to make them better. For example, making Areas less vulnerable to disasters, using fewer resources, and providing cheaper services



About PSCDCL

As per the Govt. Resolution no smartci-pune-2016/PR94/UD-23 dated 14/03/16, the composition of the Special Purpose Vehicle for Pune Municipal Corporation was approved. The Pune Smart City Proposal was selected for priority financing under the Smart Cities Mission by the Ministry of Urban Development, Government of India. Thereafter, a Special Purpose Vehicle (SPV) company called the Pune Smart City Development Corporation Limited (PSCDCL) was established on 23 March 2016, under the Companies Act 2013. PSCDCL is owned by the Government of Maharashtra and the Pune Municipal Corporation (PMC) as equal shareholders.

PSCDCL's sole objective is to implement the vision of the Smart City Proposal. The Board of PSCDCL is led by the Chairman and is supported by key employees consisting of Chief Executive Officer, Company

Secretary, Chief Knowledge Officer and Chief Financial Officer. Given the wide range of technical and sector specific expertise required to implement the smart city projects, PSCDCL is supported by a team of general consultants (GCs) responsible for technical and project management support. They also play a critical role in innovatively structuring and raising finance from the market to bridge the funding gaps in the project.

Primarily, PSCDCL through grants and equity receives funding from the Government of India, Government of Maharashtra and Pune Municipal Corporation for implementing the smart city projects. In addition, PSCDCL anticipates to raise financing through other sources including monetization of land and actively pursuing CSR in the area of city development.



VISION

Pune aspires to become one of the most liveable cities in India, by solving its core infrastructure issues in a "Future-Proof" way, and by making its neighbourhoods beautiful, clean, green and liveable.



OBJECTIVES

The objective is to promote a city that provides core infrastructure and gives a decent quality of life to its citizens, a clean and sustainable environment, jobs and economic growth through application of 'Smart' solutions.

- Identifying the true needs and views of the citizens through extensive citizen engagement, for which Pune came with a Citizen Engagement Model with 9 different phases, probably the largest of its kind in the urban world, reaching out to more than 50% of the city households.
- Focus on 'More with Less' initiatives that have a high impact on quality of service and infrastructure but are less capital intensive and are easier to implement.
- Focus on city's raising funds from own sources making the city's infrastructure projects to become self-sustainable and not dependent on State or Central funds to develop city infrastructure.
- Focus on low-cost Information Communication & Technology (ICT) based solutions to improve the quality of infrastructure.
- Major degree of ongoing work of Pune Smart City Mission is focused on a) Transportation & Mobility, b) Water supply & Sewage, c) Waste Sanitation, d) Environment & Sustainability, e) Safety & Security and f) Energy.



CORPORATE INFORMATION

BOARD OF DIRECTORS

NITIN NANDKISHOR KAREER
Non - Executive Chairman

MUKTA SHAILESH TILAK
Non - Executive Director

SUBRAMANIAN PADMANABHAN
Independent Director

LUIS MIRANDA
Independent Director

CHANDRAKANT NARAYAN DALVI
Non - Executive Director

RASHMI SHUKLA
Non - Executive Director

KUNAL KUMAR
Non - Executive Director

SAJEESH KUMAR NADMMAL
Non - Executive Director

TUKARAM HARIBHAU MUNDHE
Non - Executive Director

MURLIDHAR KISANRAO MOHOL
Non - Executive Director

SHRINATH YASHWANT BHIMALE
Non - Executive Director

CHETAN VITTHAL TUPE
Non - Executive Director

RAVINDRA HEMARAJ DHANGEKA
Non - Executive Director

SANJAY SHASHIKANT BHOSALE
Non - Executive Director

RAJENDRA CHANDRAKANT JAGTAP
CEO & Executive Director

SENIOR MANAGEMENT

GEETU SACHDEVA
Company Secretary & Head Legal
(Key Managerial Personnel)

DEVENDRA KUMAR AGARWAL
Chief Financial Officer
(Key Managerial Personnel)

MANOJIT BOSE
Chief Knowledge Officer



REGISTERED OFFICE

PMC Main Building, Shivajinagar,
Pune - 411005

OFFICES

Office No. 204, 2nd Floor, A Wing ICC Towers,
Senapati Bapat Road, Pune - 411016

SUBSIDIARY

PUNE IDEA FACTORY FOUNDATION (Section 8 Company)

CIN:U93000PN2017NPL168052

Wholly Owned Subsidiary

STATUTORY AUDITORS

PATIL RANADIVE & ASSOCIATES, LLP

Chartered Accountants

101, 102 Gurukrupa Tower, Above HDFC Bank,
Aranyeshwer, Sahakarnagar, Pune - 411009

PRINCIPLE BANKERS

HDFC BANK

Suvan Apartment, PN 58/59, Mayur Colony,
Kothrud, Pune – 411029

(Company has two Bank Accounts
(Saving and Current) in this Bank)

BANK OF MAHARASHTRA

PMC Main Building, Shivajinagar,
Pune-411005

YES BANK

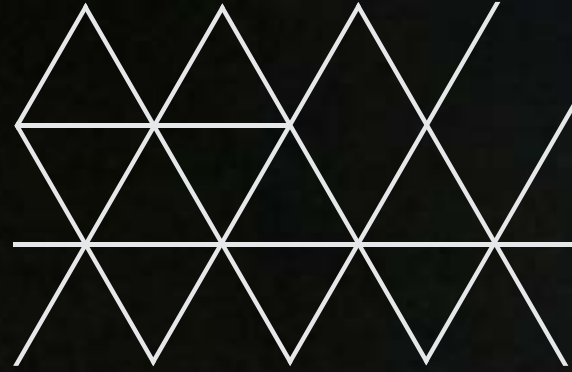
Galaxy Society, Dhole Patil Road,
Bund Garden, Pune, Maharashtra - 411001

INDUSIND BANK

Ground Floor, 163/1, Surmani Society,
DP Road, Aundh, Pune-411004,



THE ROADMAP TOWARDS A SMART PUNE





CHAIRMAN'S MESSAGE



DR. NITIN NANKISHOR KAREER

Chairman, PSCDCL

Pune has been able to create one of the strongest human capital and economic growth engines among Indian cities. Often called the “Oxford of the East”, its colleges (over 800) attract the brightest minds from across the country to yield a young cosmopolitan workforce. This diversified workforce, with over 30 percent graduates, has triggered an IT and manufacturing revolution in the city. It is also one of the successful start-up destinations in India

with more than 400 local start-ups. It attracts most of the top IT companies in the country, making it the second biggest software hub in the country. Global multinationals have recognized the strength of this human capital and their investments make Pune one of the top five foreign direct investment (FDI) destinations in India. The city has consistently attracted large scale international investments in manufacturing across auto and engineering sectors. Pune’s educated citizens have also been instrumental in driving participative governance, one of the best across Indian cities. Pune City Connect is a forum to bring corporates and citizens together to work on corporate social responsibility (CSR) activities on city-level issues.

The Smart Cities Mission of the Government of India is a bold, new initiative meant to set examples that can be replicated both within and outside the Smart City. In the approach of the Smart Cities Mission, the objective is to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of “smart” solutions. Some of the core infrastructure elements in a smart city are adequate

water supply, assured electricity supply, sanitation which includes solid waste management, efficient urban mobility and public transport, affordable housing especially for the poor, robust IT connectivity and digitalization, good governance (especially e-governance and citizen participation), sustainable environment, safety and security of citizens particularly women, children and the elderly, and health and education.

As a part of the smart cities vision exercise, Pune conducted one of the largest citizen outreach initiatives to identify the true concerns of the citizens. Based on the facts of this citizen engagement, Pune devised the following five strategic, long-term imperatives:

Fix core urban infrastructure and make it "future-proof"

Leverage multiple sources of funds to fulfil long-term infrastructure demand Transform Pune into the most liveable city in India

Focus on creating sufficient high-end jobs to leverage Pune's human capital
Build city attractiveness further through iconic riverfront development.

Based on this, a list of projects was selected to improve the situation on the ground and was submitted to the Central Government as part of the competitive process. Pune came second overall across 100 cities in this competition and was selected for priority funding along with 19 other cities.

Pune Smart City Development Corporation Limited (PSCDCL) was created to bring life to this vision. The Special Purpose Vehicle (SPV) aims for a smart future for the citizens of Pune through developments in IT infrastructure, transportation and mobility, urban

spaces and liveability. Various projects were included in the Pune Smart City proposal, segmented into two sections: local-area development and pan-city projects. Based on extensive citizen engagement, the Aundh-Baner-Balewadi (ABB) area was identified to undertake the smart city projects under the local-area development sector.

The following major steps were taken within the first few months of the program (since its inception):

Organization: There is a robust PSCDCL organization to ensure that there are minimal bottlenecks in executing the smart city agenda. PSCDCL's executive team consists of a full-time CEO supported by Company Secretary, Chief Knowledge Officer and Chief Financial Officer. In addition, a full roadmap has been drawn to hire other key executives (e.g., transportation HOD, urban planner) with shortlisted candidates ready to be hired on a need basis.

Strategic and project management support: PSCDCL's efforts in executing the smart city agenda are complemented by some of the best international advisory firms across general consultants and specialists firms exploring the revenue enhancement initiatives like property tax, value capture finance and advertisement tax

Early quick-wins: Pune is a lighthouse among smart cities with several quick wins either executed or underway, such as:

Smart elements including Command and Control Centre: One of the first cities under the Smart Cities Mission to have almost fully executed the Smart Elements project. This project will aid decision making in real time by implementing and integrating: SCOC, WIFI services, public address system, emergency call box, environmental sensors and variable messaging displays.

Street lighting: Conversion of high electricity consuming sodium vapour street lights to energy efficient LED lights while ensuring same/enhanced luminosity levels.

Street redesign: The smart city has successfully implemented its pilot street redesign. Pedestrian-friendly streets with equitable distribution for non-motorized transportation modes. Road utilities have been future proofed by creating underground infrastructure ducts of adequate size. 1.5 km of streets in ABB area are in advanced stages of implementation with additional 6 km to be tendered in the next couple of months.

Placemaking: Development of low-cost, innovative and pertinent amenities for citizens at a neighbourhood level is a key feature of this concept. Four pilot sites have already been implemented in ABB and PMC, catering to activities such as health and wellness, skill development and ecology. PSCDCL is in the advanced stages of developing 20 additional sites across ABB and PMC areas.

Traffic command and control centre and bus ITMS already implemented in Pune provide centralized and continuous monitoring of PMPML infrastructure such as buses, drivers, staff, electronic ticket dispensers, etc. Route rationalization, cashless payment mechanisms, bus conductor monitoring, real-time fare collection and management are some of the benefits accrued from these implementations.

I am proud to say that some of these initiatives have been recognized both in India and globally - as the city's program has received the SKOCH awards for Urban Placemaking, recognized among the top 6

cities in the Smart City Congress held in Barcelona. Since it has been our constant endeavour to make progress and dedicate ourselves in taking the Smart City initiatives forward, we are focused on reaching planned milestones and address the needs of the citizens through improvements in liveability, sustainability and economic development. We are sure this will transform Pune into a world-class Smart City.

The Company has made remarkable progress in different sectors like IT infrastructure, urban planning projects, transportation and mobility through the commencement of many projects and successful implementation of a few. It will aim to foster a culture of excellence resulting in growth in ranking through new initiatives, and will strive to lead a strong organization that our stakeholders will trust. The Company's projects will be distinctive examples for other Indian smart cities to emulate.

I take this opportunity to thank our valued stakeholders whose continued patronage and confidence in our mission inspires us to extend the best of services and enables us to create value for the monetary resources provided. I thank the stakeholders, employees and consultants and also our well-wishers who have contributed to the growth of the organization.

Yours truly,

Dr. Nitin Nandkishor Kareer
(Chairman)

MESSAGE FROM THE CEO



DR. RAJENDRA C JAGTAP
CEO & ED, PSCDCL

The Smart Cities Mission's focus is on sustainable and inclusive development. The aim is to evaluate compact areas and create a replicable model, which would guide and inspire the entire city and even other cities across India.

I am pleased to report that 2016-17 has been a remarkable year for the Pune Smart City Development Corporation Limited (PSCDCL). We continued to fulfil the company's promises and commitments to various stakeholders and ensured that contractors delivered results in a timely manner.

During this period, PSCDCL showed rapid progress with extraordinary results on multiple fronts. We successfully implemented our delivery plan of key milestones and actions. We also initiated and completed some major projects including:

- The Smart Elements project which will deliver several ICT elements for the use of citizens
- Placemaking and open spaces project, along with the development of four theme-based sites
- Pedestrian-friendly urban planning project of street redesign. This has helped in providing universal accessibility, better walkability, more space for street activity and segregated lanes for visually impaired users
- Creating the Digital Experience Centre to educate citizens on the various initiatives of Pune Smart City
- PMC-led implementation of the street lighting project, which has used energy efficient LEDs as replacements for sodium vapour lights

- Low income skill development project in collaboration with PMC. This included counselling and employment generation skilling for the disadvantaged youth through the efforts of Pune City Connect and NASSCOM
- Other proposed IT and urban planning projects were also initiated. These will deliver long-term benefits like traffic modelling and controlling, developing a high-speed fibre network across the city, developing more sites across the city on innovative themes.

The initial funding strategy, proposed at the time of preparation of the Smart Cities proposal, continues to be refined and refreshed. At the summary level, PSCDCL has adequate sources of funds to meet its funding requirements. Leading inflows of cash ensure that PSCDCL will always be surplus on funds. The company is well positioned to thrive in any foreseeable market or economic environment.

Salient features of Pune Smart City's funding plans include leveraging various measures and projects such as:

Land monetization to fund its projects: Pune is better placed, compared to other Indian cities, in terms of real estate, with absorption rate for commercial real estate at an all-time high. As a result, there is significant potential for revenue generation from land monetization in the ABB region. As per estimates:

- There is potential to generate INR 100 to 500 cr from land monetization in the transit hub in Balewadi, which will be a unique transit oriented

development providing connectivity to multiple models of transport

- Smart IT projects for monetization: Pune is also envisaging a set of IT projects that could help with monetization, including:

- Smart elements: INR 10 to 20 cr could be generated through monetization of wifi, VMDs, etc. PSCDCL is also exploring the potential for data monetization for data generated through the Command and Control Centre

- Smart poles: PSCDCL is expected to install smart poles, by leveraging rooftops and the city's infrastructure such as street poles, roundabouts etc., to enhance digital connectivity. This has potential to generate INR 75 to 100 cr across the city (to be taken up after legislative approval) over the next 10 years

- OFC dark fibre: PSCDCL can potentially drive optical fibre across Pune, with INR 75 to 100 cr revenue potential (to be taken up after legislative approval) over the next 10 years

Convergence to drive funding: PSCDCL enjoys the benefit of residing in a Municipality that has surplus funds and enjoys AA+ ratings. As a result, several convergence schemes are possible, which may not be feasible in other cities. PSCDCL is in a position to attract approx. INR 800 cr of funds through convergence of various schemes. It is also actively pursuing several other central government schemes and has already submitted the application for FAME subsidy for electric vehicles (EVs).

The Company has also taken up financial initiatives in accordance with the Ministry of Housing and Urban Affairs to improve revenue/tax collections for PMC. Looking ahead at 2017-18, PSCDCL's scorecard will be shaped by positive reviews of the implemented projects and commencement of key impactful projects mentioned in the Smart City Proposal.

PSCDCL has also successfully enlisted key members of the executive team - a full-time CEO supported by a senior team of Company Secretary, Chief Knowledge Officer and Chief Financial Officer as well as a large team of General Consultants. In addition, 22 full-time staff have been appointed in support roles. Experienced engineers have also been partially allocated by the Municipal Corporation to supplement PSCDCL's implementation and supervisory activities.

Pune's Smarty City program has also been a proud winner of various award's like BW Awards and SKOCH Awards, and has been the Smart City Finalist at the Smart City Expo-World Congress 2016, Barcelona. Recently, the Company signed an MOU with the University of Toronto and IIT Bombay for knowledge sharing and identifying challenges while deriving key solutions to city's problems. This collaboration will focus on identified areas of priority such as digital

interoperability, cyber security, skill building, housing for all and immigration adoption.

PSCDCL is committed to engage with citizens and fulfil their suggestions, thus constantly updating and incorporating them into the ongoing projects and its delivery.

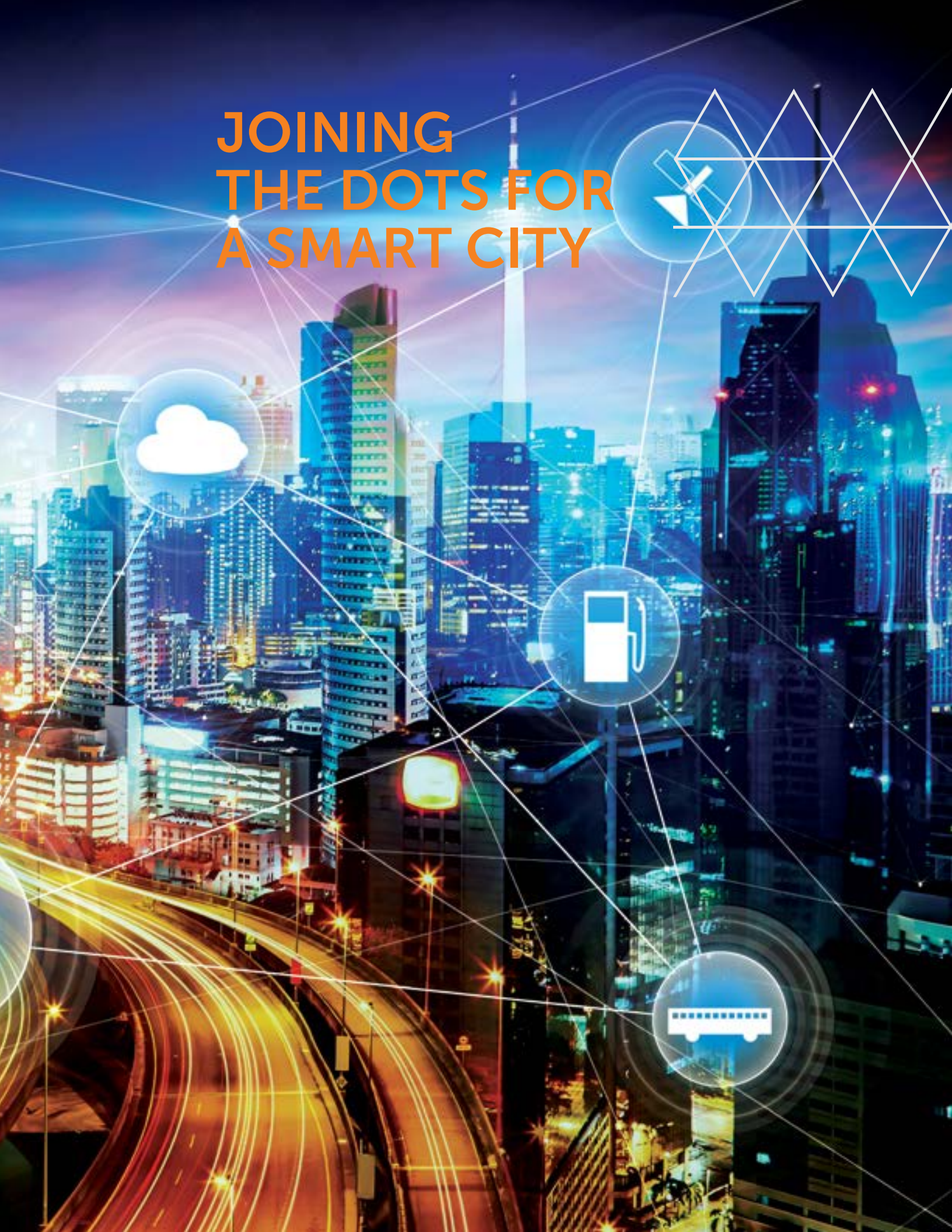
We look forward to the active support of all our stakeholders to successfully implement our upcoming projects. We are strongly committed to excel and will strive to ensure rapid growth in the coming year.

Yours truly,

Dr. Rajendra C Jagtap
(CEO & ED)



JOINING THE DOTS FOR A SMART CITY



NOTICE

Notice is hereby given that the First Annual General Meeting of the Members of Pune Smart City Development Corporation Limited will be held on Saturday, 30th December, 2017 at 11.30 AM at Bajaj Conference Hall, 5th Floor, MCCIA, ICC Trade Towers, Senapati Bapat Road, Pune - 411016 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Audited Accounts (Standalone & Consolidated):

To receive, consider and adopt:

(a) The Audited Financial Statements of the Company for the financial period ended March 31, 2017 together with the Reports of the Board of Directors and Auditors thereon

(b) The Audited Consolidated Financial Statements of the Company for the financial period ended 31st March, 2017 along with the Reports of Auditors thereon

2. Appointment of Patil Ranadive & Associates LLP, Chartered Accountants as Statutory Auditors:

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

"RESOLVED THAT pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 read with the rules made there under and other

applicable provisions, if any, M/s Patil Ranadive & Associates LLP, Chartered Accountants (Firm Reg. No. 107816W / W100222) be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting of the Company till the conclusion of 6th Annual General Meeting of the Company, subject to the ratification by members at every Annual General Meeting, on a remuneration to be fixed by the Board of Directors, plus out of pocket expenses as may be incurred by them for the performance of their duties in connection with the audit of the Company for the financial years 2017 - 18 to 2021 - 22.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

SPECIAL BUSINESS:

3. Regularization of Mr. Kunal Kumar (DIN: 07410973):

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

"RESOLVED THAT Mr. Kunal Kumar (holding DIN: 07410973) who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 161 of the Companies Act, 2013 and in respect of whom

the Company has received a notice under Section 160 in writing proposing his candidature for the office of director along with necessary deposit, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

4. Regularization of Mrs. Rashmi Shukla (DIN:07505874):

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

"RESOLVED THAT Mrs. Rashmi Shukla (holding DIN:07505874) who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice under Section 160 in writing proposing her candidature for the office of director along with necessary deposit, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

5. Regularization of Dr. Nitin Nandkishor Kareer (DIN:01624863):

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

"RESOLVED THAT Dr. Nitin Nandkishor Kareer (holding DIN: 01624863) who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice under Section 160 in writing proposing his candidature for the office of director along with necessary deposit, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

6. Appointment of Mr. Subramanian Padmanabhan (DIN 00001207) as the Independent Director of the Company:

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

"RESOLVED THAT pursuant to provisions of Sections 149, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification

of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Subramanian Padmanabhan (DIN: 00001207) who was appointed as an Additional Director of the Company with effect from 14th December, 2016, and who holds office upto the date of ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Subramanian Padmanabhan as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto the conclusion of the 05th Annual General Meeting of the Company to be held in the calendar year 2022, subject to Mr. Subramanian Padmanabhan satisfying the criteria of independence in terms of the Companies Act 2013, Rules made thereunder and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

7. Appointment of Mr. Luis Miranda (DIN:01055493) as the Independent Director of the Company:

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

"RESOLVED THAT pursuant to provisions of Sections 149, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory

modification(s) or re-enactment thereof for the time being in force), Mr. Luis Miranda (DIN: 01055493) who was appointed as an Additional Director of the Company with effect from 29th December, 2016, and who holds office upto the date of ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Luis Miranda as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto the conclusion of the 05th Annual General Meeting of the Company to be held in the calendar year 2022, subject to Mr. Luis Miranda satisfying the criteria of independence in terms of the Companies Act 2013, Rules made thereunder and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

8. Regularization of Mrs. Mukta Shailesh Tilak (DIN:07782230):

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

"RESOLVED THAT Mrs. Mukta Shailesh Tilak (DIN: 07782230) who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice under Section 160 in writing proposing her candidature for the

office of director along with necessary deposit, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

"RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

9. Regularization of Mr. Murlidhar Kisanrao Mohol (DIN:07783444):

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

"RESOLVED THAT Mr. Murlidhar Kisanrao Mohol (holding DIN:07783444) who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice under Section 160 in writing proposing his candidature for the office of director along with necessary deposit, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

10. Regularization of Mr. Shrinath Yashwant Bhimale (DIN:03301962):

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

"RESOLVED THAT Mr. Shrinath Yashwant Bhimale (holding DIN:03301962) who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice under Section 160 in writing proposing his candidature for the office of director along with necessary deposit, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

"RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

11. Regularization of Mr. Chetan Vitthal Tupe (DIN:00030317):

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

"RESOLVED THAT Mr. Chetan Vitthal Tupe (holding DIN: 00030317) who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice under Section 160 in writing proposing his candidature for the office of director along with necessary deposit, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

12. Regularization of Mr. Sanjay Shashikant Bhosale (DIN:07792834):

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

"RESOLVED THAT Mr. Sanjay Shashikant Bhosale (holding DIN:07792834) who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice under Section 160 in writing proposing his candidature for the office of director along with necessary deposit, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

13. Regularization of Mr. Ravindra Hemraj Dhangekar (DIN:07545516):

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

"RESOLVED THAT Mr. Ravindra Hemraj Dhangekar (holding DIN:07545516) who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice under Section 160 in writing proposing his candidature for the office of director along with necessary deposit, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

14. Regularization of Mr. Tukaram Haribhau Mundhe (DIN:07578512):

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

"RESOLVED THAT Mr. Tukaram Haribhau Mundhe (DIN:07578512) who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice under Section 160 in writing proposing his candidature for the office of director along with necessary deposit, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

15. Regularization of Mr. Chandrakant Narayan Dalvi (DIN:03069236):

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

"RESOLVED THAT Mr. Chandrakant Narayan Dalvi (holding DIN:03069236) who was appointed as an additional director of the Company by the Board

of Directors and who ceases to hold office under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice under Section 160 in writing proposing his candidature for the office of director along with necessary deposit, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

16. Regularization and Ratification of Dr. Rajendra Chandrakant Jagtap (DIN: 07870524) - CEO and ED's, Appointment and his remuneration:

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

"RESOLVED THAT pursuant to provisions of Sections 149, 152, 160 read with Schedule V and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Rajendra Chandrakant Jagtap (DIN: 07870524) who was appointed as an Additional Director of the Company with effect from 29th July, 2017, and who holds office pursuant to Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, signifying his intention to propose Dr. Rajendra Chandrakant Jagtap as a candidate for the office of a director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 196, 197 & Schedule V of the

Companies Act, 2013 and Rules made thereunder and Articles of Associations of the Company, subject to all such statutory approvals, if any, as may be required, the consent of the members be and is hereby accorded for remuneration of Dr. Rajendra Chandrakant Jagtap as an Executive Director and Chief Executive Officer of the Company with effect from 29th July, 2017 for a period of 1 (One) year, on terms and conditions as mentioned below:

Tenure:

The Appointment of Dr. Rajendra Chandrakant Jagtap as the Executive Director and Chief Executive Officer (ED & CEO) shall be valid for a period of 1 year.

Remuneration:

- Salary: (as per approved government structure under 7th pay commission Pay grade - 8700)

Basic pay: Rs. 122100

DA (4%): Rs. 4884

HRA (24%): Rs. 29305

- Perquisites & Allowances: In addition to the salary Dr. Jagtap shall be entitled to following perquisites and allowances.

- Medical reimbursements, Personal Accident & Medical Insurance, use of chauffeur driven car, and such other perquisites and allowances in accordance with rules of the Company or / and as applicable to Central Government / Pune Municipal Corporation Official.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

Overall Remuneration:

- The aggregate of salary, perquisites and allowances

of Dr. Rajendra Chandrakant Jagtap, ED & CEO of the Company in any one financial year shall not exceed the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 (including applicable rules, if any) as amended from time to time.

- In the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of Dr. Rajendra Chandrakant Jagtap, ED & CEO, the payment of Salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013; and
- The Board (including any Board Committee exercising powers conferred by this resolution) be and is hereby authorized, in its absolute discretion and from time to time, to fix within the range of remuneration detailed in explanatory statement, the salary and other allowances/entitlements including performance bonus/incentive, if any of Dr. Rajendra Chandrakant Jagtap, ED & CEO.

RESOLVED FURTHER THAT the Board of Directors based on the recommendation of Nomination and Remuneration Committee, be authorized in its absolute discretion and from time to time, to fix within the range stated above, the salary payable to the Executive Director.

RESOLVED FURTHER THAT the term of Dr. Rajendra Chandrakant Jagtap as Executive Director of the Company shall be on continued basis on his reappointment at the Annual General Meeting, when he retires by rotation.

RESOLVED FURTHER THAT where in any financial year during the tenure of Dr. Rajendra Chandrakant Jagtapas Executive Director of the Company, the Company incurs a loss or its profits are inadequate,

the Company shall pay to Dr. Rajendra Chandrakant Jagtap, the remuneration by way of salary, bonus and other allowances as minimum remuneration."

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

17. Regularization of Mr. Sajeesh Kumar Nadmmal (DIN:07952551):

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

"RESOLVED THAT Mr. Sajeesh Kumar Nadmmal (DIN: 07952551) who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice under Section 160 in writing proposing his candidature for the office of director along with necessary deposit, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

RESOLVED FURTHER THAT any of the Board Members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

18. Increase in authorized share capital of the Company and to further alter Clause No. V of the Memorandum of Association

To consider and if thought fit, to pass, with or

without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 13, 64 and other applicable provisions, if any of the Companies Act, 2013, the Authorised Capital of the company be and is hereby increased from Rs. 5,00,000 (Rupees Five Lakhs Only) divided into 50,000 (Fifty thousand) Equity shares of Rs. 10 (Ten) each to Rs. 300,00,00,000/- (Three hundred crores only) by creation of 29,99,50,000 (Twenty Nine Crores Ninety Nine Lakh And Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten) each, with a power of company to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the company, for the time being and to classify and reclassify such shares from shares of one class to shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the company in accordance with the Articles of Association of

Registered Office:

PMC Main Building,
Shivajinagar, Pune - 411005
Date: 7th December, 2017

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- A PERSON CAN ACT AS A PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A

the company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in such manner and by such persons as may, for the time being, be permitted under the provisions of the Articles of Association of the company or legislative provisions for the time being in force in that behalf.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be altered and substituted by the following new Clause:

V. The Authorized Share Capital of the Company is Rs. 300,00,00,000 (Rupees Three Hundred crores) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Rs. 10 (Rupees Ten only) each.

"RESOLVED FURTHER THAT any of the Board members or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things as may be necessary within the relevant provisions of the Companies Act, 2013, to give effect to the above."

By order of the Board,

Pune Smart City Development Corporation Limited

Dr. Rajendra C Jagtap, CEO & ED

DIN:07870524

MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY

- CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.
- THE RELEVANT EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF SPECIAL BUSINESS IN THE NOTICE IS ANNEXED HERETO.

EXPLANATORY STATEMENT AS REQUIRED PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 3

Regularization of Mr. Kunal Kumar:

Mr. Kunal Kumar was director of the Company from the date of incorporation of the Company. His appointment was further noted in the first board meeting held on 18th April, 2016 as additional director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company which mandates the position of Municipal Commissioner, Pune to be a Director on the Board of the Company. Accordingly, the Board recommends the resolution No. 3, in relation to appointment of Mr. Kunal Kumar as Director, for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being regularized, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

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ITEM NO.4

Regularization of Mrs. Rashmi Shukla:

The Board at its meeting held on 30th April, 2016, appointed Mrs. Rashmi Shukla as additional director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, she will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company which mandates the position of Commissioner of Police, Pune to be a Director on the Board of the Company. Accordingly, the Board recommends the resolution No. 4, in relation to appointment of Mrs. Rashmi Shukla as Director, for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being regularized, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

ITEM NO.5

Regularization of Dr. Nitin Nandkishor Kareer:

The Board at its meeting held on 31st May, 2016, appointed Dr. Nitin Nandkishor Kareer as additional (Nominee) director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to the Government Resolution dated 18th May, 2016 vide which Dr. Nitin Nandkishor Kareer was appointed as the Nominee Director and the Chairman of the Company. Accordingly, the Board recommends the resolution No. 5, in relation to appointment of Dr. Nitin Nandkishor Kareer as Director, for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being regularized, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

ITEM NO.6

Appointment of Mr. Subramanian Padmanabhan (DIN 00001207) as the Independent Director of the Company:

The Board at its meeting held on 14th December, 2016, appointed Mr. Subramanian Padmanabhan as additional director in the category of Independent Director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing Annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company that mandates the position of two independent directors on the Board of the Company. The Board is further aware of his vast knowledge and experience of working in various Local Bodies and Government Departments. The Board recommends the resolution No. 6, in relation to appointment of Mr. Subramanian

Padmanabhan as Director (Independent), for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Further:

The Board of Directors of the Company comprises of 15 directors, out of which 2 are non-executive independent directors. Mr. Subramanian Padmanabhan, a retired IAS officer, joined the board on 14th December, 2016.

As per the provisions of section 149 of the Companies Act, 2013 an Independent director shall hold office for a term upto five consecutive years on the board of a company and shall not be liable to retire by rotation. Therefore, it is proposed to appoint him as Independent Directors at the ensuing annual general meeting for a period of 5 years, upto 30th September, 2022. Mr. Subramanian Padmanabhan has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board Mr. Subramanian Padmanabhan fulfills the conditions specified in the Act and Rules made thereunder for appointment as Independent Director of the company.

Mr. Subramanian Padmanabhan has expertise in specific functional areas and is eminent personality in his respective fields. The Board considers that the continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Subramanian Padmanabhan. Accordingly the Board recommends the resolution as set out in the Item no. 6 as ordinary Resolution, Shri Subramanian Padmanabhan, who is proposed appointee may be considered as concerned or interested financially in the Resolutions to the extent of the sitting fee as may be paid by the company

from time to time. Except that none of the Other Directors nor Key Managerial Personnel or relatives thereof are in any way, concerned or interested in the Resolution.

ITEM NO.7

Appointment of Mr. Luis Miranda (DIN 01055493) as the Independent Director of the Company:

The Board at its meeting held on 29th December, 2016, appointed Mr. Luis Miranda as additional director in the category of Independent Director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company which mandates the position of two independent directors on the board of the company. The Board is further aware of his vast knowledge in the field of Financial Management and Debt Securities. The Board recommends the resolution No. 7, in relation to appointment of Mr. Luis Miranda as Director (Independent), for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being appointed, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

Further:

The Board of Directors of the Company comprises of 15 directors, out of which 2 are non-executive independent directors. Mr. Luis Miranda joined the

Board on 29th December, 2016.

As per the provisions of section 149 of the Companies Act, 2013 an Independent director shall hold office for a term upto five consecutive years on the board of a company and shall not be liable to retire by rotation. Therefore, it is proposed to appoint him as Independent Directors at the ensuing annual general meeting for a period of 5 years, upto 30th September, 2022. Mr. Luis Miranda has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board Mr. Luis Miranda fulfill the conditions specified in the Act and Rules made thereunder for appointment as Independent Director of the company.

Mr. Luis Miranda has expertise in specific functional areas and is eminent personality in his respective fields. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Luis Miranda. Accordingly the Board recommends the resolution as set out in the Item no. 7 as ordinary Resolution, Mr. Luis Miranda, who is proposed appointee may be considered as concerned or interested financially in the Resolutions to the extent of the sitting fee as may be paid by the company from time to time.

Except the director being appointed, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

ITEM NO.8

Regularization of Mrs. Mukta Shailesh Tilak:

The Board at its meeting held on 15th April, 2017, appointed Mrs. Mukta Shailesh Tilak as additional (Nominee)director with effect from such Board

meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, she will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company which mandates the position of Mayor of Pune City to be nominee director for Pune Municipal Corporation on the Board of the Company. Accordingly, the Board recommends the resolution No. 8, in relation to appointment of Mrs. Mukta Shailesh Tilak as Director, for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being regularized, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

ITEM NO.9

Regularization of Mr. Murlidhar Kisanrao Mohol:

The Board at its meeting held on 15th April, 2017, appointed Mr. Murlidhar Kisanrao Mohol as additional director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company which mandates the position of Chairman of the Standing Committee, PMC to be a Director on the Board of the Company. Accordingly, the Board recommends the resolution No. 9, in relation to appointment of Mr. Murlidhar Kisanrao Mohol as

Director, for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being regularized, none of the other Directors nor Key Managerial Personnel or relatives thereof are in any way, concerned or interested in the Resolution.

ITEM NO.10

Regularization of Mr. Shrinath Yashwant Bhimale:

The Board at its meeting held on 15th April, 2017, appointed Mr. Shrinath Yashwant Bhimale as additional director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company which mandates the position of Leader of House, PMC to be a Director on the Board of the Company. Accordingly, the Board recommends the resolution No. 10, in relation to appointment of Mr. Shrinath Yashwant Bhimale as Director, for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being regularized, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

ITEM NO.11

Regularization of Mr. Chetan Vitthal Tupe:

The Board at its meeting held on 15th April, 2017, appointed Mr. Chetan Vitthal Tupe as additional director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company which mandates the position of Leader of Opposition, PMC to be a Director on the Board of the Company. Accordingly, the Board recommends the resolution No. 11, in relation to appointment of Mr. Chetan Vitthal Tupe as Director, for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being regularized, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

ITEM NO.12

Regularization of Mr. Sanjay Shashikant Bhosale:

The Board at its meeting held on 15th April, 2017, appointed Mr. Sanjay Shashikant Bhosale as additional director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12

of the Articles of Association of the Company which mandates the position of one elected councilor of each Political Party out of top two National / State recognized Political Parties other than the Political Parties of four designated Directors by post, as mentioned above, in descending order as per the respective strength of elected councilors in PMC to be a Director on the Board of the Company. Mr. Sanjay Shashikant Bhosale represents a political party that qualifies the criteria mentioned in Clause 12 of the Articles. Accordingly, the Board recommends the resolution No. 12, in relation to appointment of Mr. Sanjay Shashikant Bhosale as Director, for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being regularized, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

ITEM NO.13

Regularization of Mr. Ravindra Hemaraj Dhangekar:

The Board at its meeting held on 15th April, 2017, appointed Mr. Ravindra Hemaraj Dhangekar as additional director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company which mandates the position of one elected councilor of each Political Party out of top two National / State recognized Political Parties other than the Political Parties of four designated Directors

by Post, as mentioned above, in descending order as per the respective strength of elected councilors in PMC to be a Director on the Board of the Company. Mr. Ravindra Hemaraj Dhangekar represents a political party that qualifies the criteria mentioned in Clause 12 of the Articles. Accordingly, the Board recommends the resolution No. 13, in relation to appointment of Mr. Ravindra Hemaraj Dhangekar as Director, for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being regularized, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

ITEM NO.14

Regularization of Mr. Tukaram Haribhau Mundhe:

The Board at its meeting held on 15th April, 2017, appointed Mr. Tukaram Haribhau Mundhe as additional director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company which mandates the position of Chairman and Managing Director, PMPML to be a Director on the Board of the Company. Accordingly, the Board recommends the resolution No. 14, in relation to appointment of Mr. Tukaram Haribhau Munde as Director, for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being regularized, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

ITEM NO.15

Regularization of Mr. Chandrakant Narayan Dalvi:

The Board at its meeting held on 12th May, 2017, appointed Mr. Chandrakant Narayan Dalvi as additional director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company which mandates the position of Divisional Commissioner of Pune to act as nominee director for State Government on the board of the company. Accordingly, the Board recommends the resolution No. 15, in relation to appointment of Mr. Chandrakant Narayan Dalvi as Director, for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being regularized, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

ITEM NO.16

CEO Appointment's ratification and his remuneration:

The Board at its meeting held on 29th July, 2017, appointed Dr. Rajendra Chandrakant Jagtap as additional director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company which mandates the position of Chief Executive officer of the Company to be a Director (Executive) on the Board of the Company. The company has received a letter dated from government of Maharashtra which appoints Dr. Rajendra Chandrakant Jagtap as the Chief Executive Officer of the company, pursuant to which he shall also be a executive director of the company. Accordingly, the Board recommends the resolution No. 16, in relation to appointment of Dr. Rajendra Chandrakant Jagtap as Director (Executive), for the approval by the shareholders of the Company.

Further:

The Board of Directors at its meeting held on 29th July, 2017 approved the appointment of Dr. Rajendra Chandrakant Jagtap as Chief Executive Officer and Executive Director for a period of 1 (one) year on the Board of the Company with effect from 29th July, 2017, subject to the shareholders' approval.

For brevity, the particulars of the proposed remuneration, perquisites, and benefits payable to Mr. Rajendra Chandrakant Jagtap are not being set out in the explanatory statement and the members are requested to refer to the same as set out in the body of the respective resolutions.

The Board believes that the Company will benefit

from his professional expertise and rich experience. The Board recommends the resolution at item no. 16 to the members for their approval.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director whose appointment is being ratified, none of the other Directors nor Key Managerial Personnel or relatives thereof are in any way, concerned or interested in the Resolution.

ITEM NO.17

Regularization of Mr. Sajeesh Kumar Nadmmal:

The Board at its meeting held on 4th December, 2017, appointed Mr. Sajeesh Kumar Nadmmal as additional director with effect from such Board meeting date pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing annual General Meeting.

The appointment was made pursuant to Clause No. 12 of the Articles of Association of the Company which mandates the position of one Central Government representative. Company has received a Office Memorandum dated 14th September, 2017 by which Mr. Sajeesh Kumar Nadmmal shall act as the Nominee director for Central Government. Accordingly, the Board recommends the resolution No. 17, in relation to appointment of Mr. Sajeesh Kumar Nadmmal as Director, for the approval by the shareholders of the Company.

The Company has received the necessary notice in writing as required under Section 160 of the Companies Act, 2013 for proposing the above appointment.

Except the director being regularized, none of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

ITEM NO. 18

Increase in Authorized Share Capital of the Company

The Company was incorporated on 23rd March, 2016 as an SPV under the Smart City Mission of the Central Government. The Government has issued guidelines for Smart City Mission wherein para 10.4 provides to ensure minimum capital base for the SPV, the paid up capital of the SPV should be such that the ULB's and State Government's share is in matching contribution to the funds released by the Central Government by way of grant. Initially, the Central Government has released grant funds of Rs. 186 crores. To meet the contribution of ULB and State, necessary amounts have been received by Maharashtra State Government and the Pune Municipal Corporation out of which Rs. 5,00,000 (Rupees Five lakhs) has been provided towards initial share capital and the balance equity contribution needs to be issued by way of rights to the shareholders.

In order to issue the shares to raise the paid and subscribed share capital of the Company, the authorized share capital needs to be increased to provide for further issue and allotment of shares. While the current issue of shares is required for up to Rs. 200 crores, further equity contribution is envisaged under the guidelines over the next three years. Currently, it is proposed to increase the authorized share capital to up to Rs. 300 crores to provide for issue of shares for equity contribution to be received for FY 2017-2018. Accordingly, it is proposed to increase the authorized capital of

the Company to accommodate further issue of securities in future, from the existing level of Rs. 5 lakhs to Rs. 300 Crores.

As per Section 13 of the Companies Act, 2016 shareholder's approval is required to alter the capital clause of Memorandum of Association of the Company to effect the said increase.

None of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution

Further:

The present Authorized Capital of the Company is Rs. 5, 00,000 (rupees Five Lakhs only). In the view of issuing shares to the Promoters of the company against the grant funds received, it is proposed to increase the Authorized capital of the company to Rs. 300,00,00,000 (Three hundred crores).

The Board of Directors of the Company at their meeting held on 4th December, 2017 approved the proposal for increase in Authorized Share Capital of the company and consequent amendments to the Memorandum and Articles of Association of the Company.

Increase in Authorized Capital would require amendment in Clause V of the Memorandum of Association of the Company and would require member's approval by passing an Ordinary Resolution.

None of the other Directors nor Key Managerial Personnel or relatives thereof is in any way, concerned or interested in the Resolution.

Registered Office:

PMC Main Building,
Shivajinagar, Pune - 411005
Date: 7th December, 2017

By order of the Board,

Pune Smart City Development Corporation Limited

Dr. Rajendra C Jagtap, CEO & ED

DIN:07870524

BOARD'S REPORT

To the Members,
Pune Smart City Development Corporation Limited

We are pleased to present the First Annual Report of your Company together with the audited financial statements of the Company for the financial period ended March, 2017.

OPERATIONAL RESULTS:

The summary of the Financial Performance of the Company for the financial period ended March 31, 2017 is given below:

Particulars	For the Standalone financial period ended March 31, 2017	For the Consolidated financial period ended March 31, 2017
Net Sales/Income		
Total Income	18,60,78,687	18,60,87,057
Total Expenses	18,51,99,920	18,57,58,220
Profit before exceptional and extraordinary items and tax	8,78,767	3,25,837
Less Exceptional Items	-	-
Profit/(Loss) Before Tax	8,78,767	3,25,837
Less: Current tax	2,92,755	2,92,755
Less: Deferred Tax	(21,216)	(1,33,527)
Net Profit/(Loss) After Tax	6,07,228	1,92,310
Dividend (including Interim if any and final)	-	-
Net Profit After Dividend and Tax	6,07,228	1,92,310

PERFORMANCE HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS:

The Company initiated and executed projects under the Smart City Plan, a few of which were deployed and several under various stages of execution. During the first period of operations, the Company has received Rs. 18.61 Crores of income from other

sources mainly from Interest earned out of fixed deposits and including from appropriation of grant received. The profit before tax stands at Rs. 8,78,767 (Rs. Eight Lakhs Seventy Eight Thousand Seven Hundred and Sixty Seven). The net profit post tax for the said period is Rs. 6,07,228 (Rs. Six lakhs Seven Thousand Two Hundred and Twenty Eight Only).

RESERVES

The profits for the period under review amounting to Rs. 6,07,228/- has been transferred to the Reserves.

DIVIDEND

The Board of Directors does not recommend any dividend for the period under review.

STATE OF AFFAIRS

The Smart Cities Mission is an innovative and new initiative by the Government of India to drive economic growth and improve the quality of life of people by enabling local development and harnessing technology as a means to create smart outcomes for citizens. The Smart Cities project began when 100 cities in India were challenged in an unorthodox approach to compete against one another in a fast paced growth environment and submit a development plan. Cities developed a bold vision and came up with smart proposals. Each city formulated its own unique vision, mission and plan to develop itself into a Smart City. Their concept reflected the city's unique local context, resources and priorities of citizens. Each city developed a pan-city and area-based proposal. The concept was to begin the plan of implementation in local neighborhood so that they could be replicated and taken to other neighborhood for a successful implementation of projects across the city. During January 2016, in the first round 20 cities were selected. In this challenge, Pune City came 2nd among the 100 participant cities and was selected as a light house city for priority funding. An outstanding 45 day plan was developed by engaging with over 35 lakh citizens of Pune covering 60% of the city population to understand their priorities and engaging with experts to get insights and understand solutions for a smarter way of developing the city. For the implementation of Pune Smart City projects, a special purpose vehicle (SPV) was established on 23rd March 2016. Over the last one year the process of transforming Pune

City through implementation of these initiatives has begun. 7 Sectors, 51 projects are to be developed and few of them have already been implemented. One of the major challenges highlighted by the citizens of Pune was related to transportation and mobility, which included improving the conditions of the road and various modes of transit.

51 projects were included in the Pune Smart City proposal, which were segmented into two areas: Local-area development and Pan-city projects. The Aundh-Baner-Balewadi area was identified to undertake the smart city projects under the local-area development sector which would then be replicated across other neighborhoods. There were other projects which were included under pan-city. As the process of implementation of projects began in Pune Smart City, the 51 projects were clubbed into (same) 7 sectors to maximize resources and get optimum results.

Having completed a few pilot projects and analysis of feedback therefrom, PSCDCL is in the process of evaluating its current list of projects as part of the Smart Cities Mission. In view of maximizing impact on citizens and facilitating faster delivery of projects, PSCDCL proposes to continue to undertake this exercise on a regular basis. Revision to the Smart City Plan is also underway due to projects being undertaken through convergence by Pune Municipal Corporation and new initiatives that have come to light in the recent times. This will lead to changes in the overall value and number of projects identified in the original Smart City Plan.

PSCDCL will thus be able to better execute its tasks based on latest information / feasibility of each project and identification of new funding sources.

The projects which are segmented under the local area development sector include:

Redesign of Streets including a pilot phase, Placemaking, Smart Parking, 100 Electric buses, Creation of a Bus Rapid Transit Corridor, Express

Airport Service, 100 E-rickshaws, Enhancement of Solid waste management systems, Electricity distribution - Smart grid and net metering, Additional Security CCTV cameras in the area, Riverfront development, Fire station, Start-up hub, Road Asset Management Systems (RAMS), Junction redesign, Solar energy supply, Street lighting, Transit hub, Affordable housing, Bus stops revamp, River water cleaning, Low income skill development and health and Public bicycle sharing etc.

The following projects are segmented under the pan-city sector:

Improving water supply including setting up of the reservoirs, smart meters and enhance pipelines, Adaptive Traffic Management System, Bus ITMS, Traffic Command and Control center, Creation of a network of Smart Elements (including emergency response, Wi-Fi spots in the city, centralized command and control centre etc.), Electricity generation through Naidu STP.

PROJECTS IDENTIFIED IN THE SMART CITY PLAN:

No.	WATER
1	Waste Water Recycling
2	Storm Water Use
3	Adequate Water Supply
4	Rainwater Harvesting
5	Smart Metering (water)
6	River Water Cleaning
7	Pilot DMA For 24x7 Water
8	Bulk Meters
9	Helium Leak Identification
10	Smart Commercial Meters
11	Smart Domestic Meters
12	Customer Survey Stp
13	Energy Generation
14	Mobile App And Website
15	Consumer Awareness

No.	SWM AND SANITATION
1	Solid Waste Management
2	Sanitation

No.	ICT
1	e gov
2	IT connectivity
3	Adaptive Traffic Control System
4	Bus System ITMS
5	Command Control Center
6	Intelligent Road Management
7	E Chalaan

No.	TRANSPORT
1	Road and road widening
2	100 Electric buses
3	Smart parking BRT
4	Express airport services
5	e rickshaws
6	Transit hub
7	Total Smart Parking
8	Traffic modelling system

No.	MARQUEE
1	Start Up Zone

No.	URBAN PLANNING
1	Redesign Of Streets
2	Footpaths (additional And Retrofit)
3	Place Making Bicycles
4	Bus Stops (revamp 54 Stations)
5	Junction Redesign For 14 Junctions Non
6	Motorised Street
7	Street Lighting
8	River Front Development
9.	Open Spaces

No.	OTHERS
1	Electricity Distribution
2	Smart Grid & Metering
3	Solar Energy Supply Security
4	Fire Stations
5	Low Income Skill Development & Healthcare
6	Build Affordable Housing
7	Connectivity Costs



STATUS OF THE PROJECTS:

LOCAL AREA DEVELOPMENT

Implemented projects:

Placemaking

Currently, four “Placemaking” sites have been executed, within a span of 6 months from start of execution, are successfully designed by PSCDCL at four different locations in the city depicting different themes like E-learning and skill development, leisure and wellness, Ecology and innovation. The benefits achieved from the project are efficient utilization of land resources, creation of public amenities of citizen’s choice, creation of platform for superior

recreation activities and active citizen engagement. The sites are fully operational and further, the project scope is being extended to about 20 more sites in the city.

Placemaking’ is a high impact project identified under Smart City Proposal as one of the initiatives to upgrade its neighborhoods to higher/better liveability standards through urban design and urban planning. Placemaking provides for landscaped spaces designed based on themes thus encouraging community interaction.

All the placemaking sites have been designed on principles of cost efficiency, enhancement of natural site conditions, high impact and high recall value, sustainable design, platform for citizen engagement and provision of smart elements along with basic

facilities.

The project was initiated on 4 pilot sites - 2 in Baner and one each at Bibwewadi and Wadgaon Sheri.

The neighborhood analysis and the stakeholders' interaction provided for 3 themes for development of 4 pilot sites:

- e-learning and skill development
- leisure and meditation
- Innovation and ecology

The sites are designed keeping in mind the interests of people from all age groups and all social classes. The design concept is such that the theme based spaces, facilities and furniture provided on each site would encourage visitors by engaging them in theme based activities.

Design Themes:

E-learning and Skill Development

Layout design provides spaces like amphi-theatre and semi-enclosed space for a group of 20-25 people for interaction. Unique furniture like laptop seating, jali seating, colorful umbrella seating, cycle benches and gabion or waste box seating and solar seating ensures principle of sustainable design. There is ample provision for mobile vans for food & beverage facility along with other services which are related to the theme.

Leisure and Meditation

Space is designed to address all elements that promote a healthy lifestyle for all age groups like yoga, Zumba and meditation etc. The space is also designed to provide a play area for kids. Reflexology arc, climbing wall for kids, open gym, rope for yoga are few of the facilities provided and well placed in

the layout.

Outdoor modular library is provided to encourage reading for sound mental health.

Innovation and Ecology:

Placemaking promotes the concept of urban farming.

Next stage:

About 8 sites in ABB area and 12 sites pan city are identified for the next stage of placemaking with an approximate project cost of Rupees 80 lakh per site. The sites currently under design stage will be completed in 4-5 months at the onset of construction.

Low Income Skill Development And Healthcare

The project of low income skill development and healthcare comes under the segment of slum development and is being undertaken in convergence with Pune Municipal Corporation. Under the project of "Low Income Skill Development and Healthcare", two lighthouses are constructed at Aundh and Yerawada to empower the youth to lead and enable social and economic development for themselves, their community and the city itself. The long-term impact of the lighthouses will include inclusive growth, emerging leadership, collective responsibility for well-being, active citizenship, increased gender equality and influence on government policies w.r.t. livelihood.

Under Implementation projects:

Redesign of Streets

The Street Re-design project comes under the segment of "Urban Mobility". Utilizing the 3S



concept, PSCDCL has successfully completed redesigned the 0.5 Km (out of 1.5 Km) stretch from Bremen chowk to Parihar chowk under the "Street Re- design pilot phase". Key features of the project are raised crossings for speed breakers, concrete bollard footpaths, green railings at median, provision of Smart Elements, MSEB feeder pillars covered with perforated sheet screen shutters, provision of music, street sculptures and games on wide footpaths with proper seating arrangement & eco-friendly environment. The entire 1.5 Km stretch from Bremen chowk to Ambedkar chowk will be completed by the end of the year and further on the same project will be expanded over the Aundh-Baner-Balewadi area.

Public Participatory Process:

The whole exercise has been people participatory and clearly establishes the fact that citizens and stake holders are taken into confidence at various stages.

A seven day demonstration was carried out to make people understand the design so as to showcase the functional ability of planning. During this mock demonstration various public outreach programs have been carried out and public comments, inputs and suggestions were noted to be incorporated.

Planning for Future:

Our streets also consist of an underground network of Services. Therefore, developing a street is not only limited to the surface development but also planning for the underground services which is a major task in terms of City Services Network as well as a part of the basic need of adjacent properties in and around the street.

While developing the services of the street, all necessary services such as Drainage, Sewage, Water Supply (24/7 Plan), Metered Gas Supply, MSEDCL

(electricity), Optical Fibre Cables etc. are discussed with respective departments and implemented in a coordinated way by considering their future plans. This plan takes into account provisioning for the next 15-20 years' time.

Saved Natural Entity; TREES

Street is blessed with huge Tree Canopy on both sides which keeps the surrounding area healthy. All trees along the street have been saved and provided with maximum possible soil pit created by stone work that acts as seating arena and gives a unique historic character to the street.

Design Achievements:

The design of speed breakers as raised crossings with corbeled driveways reduces the vehicle speed before the speed breaker while giving the driver a feel that he is approaching a speed breaker. This makes the pedestrian crossing extremely safe. The design also provides for concrete bollard instead of ones made with stainless steel which are normally used in the city of Pune. This reduces pilferage and any probability of theft. Green railing in the divider consisting of thick green hedge made of creepers with an insert of chain link as opposed to standard heavy concrete dividers creates esthetically pleasing dividers which are fully safe. Perforated sheet screen shutters covering the MSEB feeder pillars painted with artwork camouflage the utilities and turns the services into pleasing work of art. The street also has seating, lighting, music, sculptures, games thus making the vehicle free shopping experience as good as a mall and so is called as an URBAN MALL UNDER THE TREE CANOPY.

Socially Vibrant Planning:

A network of neighborhood streets are designed by giving preference to WALKABILITY, UNIVERSAL ACCESSIBILITY & CYCLING thus developing a 3S

CONCEPT that enables citizens to move safely under natural shade of trees thus creating a neighborhood which is socially vibrant.

Short Term Implementation

Through the perfect coordination of a well-equipped team, the project was successfully executed in a short span of 4 months.

PAN CITY

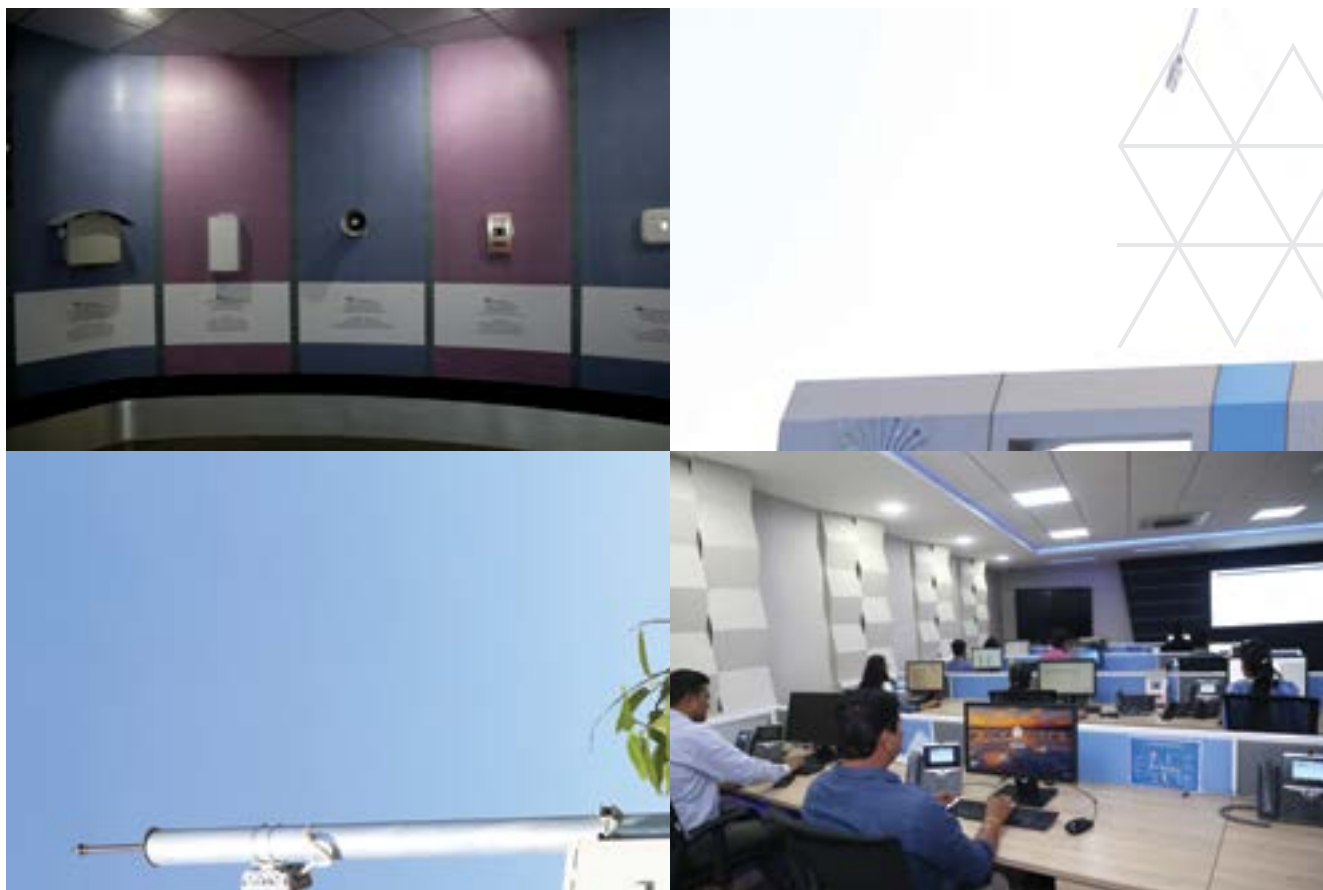
Implemented projects:

Bus ITMS

The Traffic Command and Control Center comes under the sector of "Urban Mobility". The project for "Bus ITMS" is already been implemented by PMPML which comprises of bus tracking or vehicle tracking system. Currently, 790 buses running across the city are equipped with the GPS system. A "Traffic Command and Control Center" is established in the city to monitor the data received from the bus devices. Further, website development and mobile application for bus tracking & Public Information System is been designed under the project scope. The project is scalable up to 3000 buses with a broader scope including integration of Automated Fare Collection System

Digital Experience Centre

Smart City is a complex concept that affects the lives of millions of people in multiple ways. It is therefore very crucial to explain by bringing all aspects together under one roof. The Experience Centre will give visitors an opportunity to learn about the concept and experience it in a short span of time. It will answer a lot of questions while explaining to citizens their role in the Smart City Initiative.



Startup Hub – Pune Idea Factory Foundation

PSCDCL has created a separate Section 8 Company under the Companies Act, 2013 called Pune Idea Factory Foundation (PIFF) to promote the start-ups in the city of Pune. It has also set up an able board led by the Municipal Commissioner and the CEO of Pune Smart City which is supported by an eminent panel of advisory committee members. The recruitment process for the Chief Executive Officer and Project Manager positions is underway.

Projects under implementation:

Smart Elements

Under the Pune Smart City mission, for the project of “Deployment of Smart Elements in Pune city”, the target is to integrate all the Elements with Smart City Operation Center and make them functional. As per the Pune Smart city proposal, the “IT connectivity”

and “E-governance” projects are clubbed together and fall under the segment of “E-governance”. Currently, Larsen & Toubro Ltd. is in a process of deploying 199 Wi-Fi hotspots, 50 Environmental sensors, 30 flood sensors, 136 Public Address systems, 136 Emergency Call Boxes and 161 Variable Messaging Display boards (VMDs). Also, the Smart City Operations Center (SCOC) is constructed to monitor and manage all the installed Smart Elements across the city.

Details of individual elements are as follows:

The City Wi-Fi system at 199 locations across Pune city that offers access to the Internet over a smartphone, tablet, or other device to the citizens. This facility will improve productivity of every citizen and provide a service towards digital transformation.

The Emergency Call Box at 136 locations across Pune city will help to improve the safety and security

of citizens within the city where they can seek assistance from the Smart City Operations Centre by pressing a button near them.

The Public Address System at the same 136 locations will enable operations staff to respond and communicate effectively while dealing with any emergencies.

The Smart Environmental and Flood Sensors across Pune city will enable operations staff to continuously monitor parameters such as Temperature, Humidity, Water levels, Noise levels and Air Quality. This will help to make life environment friendly by creating citizen awareness about environment and also notify citizens for alarming levels from time to time.

The Variable Messaging Displays (VMDs) at 161 locations across Pune city will be used to display the useful citizen information related to traffic congestion, accidents incidents, ongoing roadwork zones, Speed limits & key messages about any emergency or disaster.

The Smart City Operation Centre (SCOC) will act as the centralized monitoring and decision making hub for managing Smart elements and other systems on real time basis and take appropriate decision on the basis of situations. The Smart City Operations Centre (SCOC) will enable city administration and its stakeholders in the following:

- Effective decision making
- Delivering effective governance by aggregating various data feeds from sensors and all sub-systems
- Providing interfaces & user friendly dashboards
- Equipped with Standard operating procedure (SOP) and automated actions to minimize human errors
- Instant Event Tracking, event logs and multiple reports generation for effective management

Total work done until now (elements in place)

Currently, the deployment of 537 out of 712 smart elements has been done. The progress on these elements is given below:

Sr. No.	Name of Smart Element	No. of Elements as per scope	Deployed at SCOC (on date of this report)
1	Wi-Fi	199	164
2	Emergency Call Box	136	104
3	Public Address System	136	104
4	Variable Message Display	161	90
5	Environmental Sensor	50	45
6	Flood Sensor	30	30
	Total	712	537 (~75%)

- The implementation of the respective use-cases at SCOC for the Smart Elements is in progress
- Integration of SCOC (Smart City Operation Centre) with the external systems like Smart Light system, Surveillance system, Vehicle Tracking system etc. is in progress.

Work to be completed (elements remaining and time-frame)

The expected timeframe for the completion of this project is January 2018 - February 2018.

PSCDCL has ensured sustainability of this project by taking three important measures:

- Provisioning monetization to finance the initiatives,
- Including operations and maintenance to ensure support during actual use
- Ensuring selected products & technologies are latest and proven in the market

PSCDCL has planned to deploy monetization model for VMD and WiFi elements in view of long term sustainability. By offering combination of citizen messages with advertisement on VMDs, it will ensure continuity of VMD operations.

Further, Wi-Fi business model allows the service providers to monetize the WiFi system by pushing advertisement and offering data off-loading. PSCDCL has also kept provision of possible monetization of any additional streams in the near future. Therefore, this robust monetization framework will allow system sustainability.

PSCDCL has also engaged with the same system integrator for operations and maintenance for 5 years with effective SLA monitoring system ensuring effective continuity and sustainment of deployed systems. System integrator has back to back support contracts with all OEMs and has ensured adequate

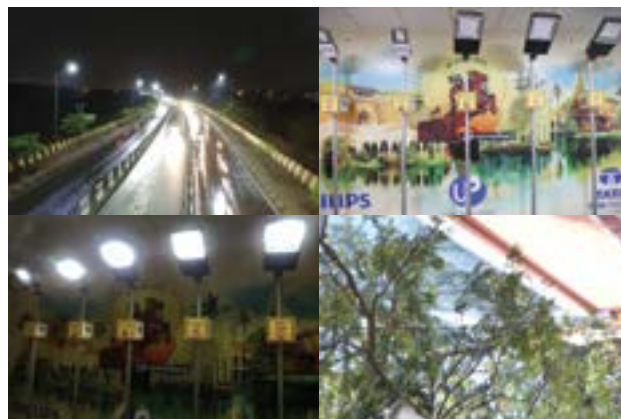
on-site spares for speedy repairs.

While crafting master service agreement, there are multiple SLA's that system integrator will have to meet within 5 years of operations and maintenance period. As a part of contract, system integrator and OEM will train operations staff as well as PSCDCL staff for operations and customization of the solution.

Road Asset Management System

"Road Asset Management System (RAMS)" is taken up for carrying out on-ground survey of the entire city to capture physical road inventory data and eventually feed the data in a separately designed enterprise GIS mapping tool. The objective of the exercise is support PMC in data driven decision making when it comes to maintenance of roads while at the same time ensuring complete inventory of roads is maintained for ready use of PSCDCL and other government bodies. Till date, M/s Pavetech Consultants have successfully captured 70% of the data, out of which 25% is fed in the GIS software. Additionally, a survey vehicle demonstration is completed with submission of Functional Specification Requirements and System Specification Requirements. Further, a total of 200 parameters are to be captured in the physical survey of roads.

Street Lighting Project



Being undertaken as a convergence project, this is primarily being driven by the Pune Municipal Corporation. The overall objective of the project is to replace the sodium vapour lights with the LED lights across 70,000 street lights across the city of Pune, in addition to setting up the Command and Control Centre and connecting the street lights to the Command and Control Centre so that centralized decisions can be undertaken. The project is being done under a PPP mode where the savings of electricity will be used to pay for the project. Currently more than 50,000 street lights have been moved to LED with a functional Command and Control Centre

Additional Revenue Generation Consulting Assignments

The Ministry of Urban Development has initiated three projects for Pune Municipal Corporation under the Pune Smart city mission, which are being implemented by PSCDCL. Following are the projects with the respective contractors:

- **“Improvement in Advertisement tax collections”** (ICRA Management Consulting Services Ltd.)
- **“Improvement in Property tax collections”** (CRISIL Risk and Infrastructure Solutions Ltd.)
- **Value Capturing financing tools for improvement in revenue generation”** (Deloitte Touche Tohmatsu India LLP)

The overall objective of the project is to identify ways in which Pune city can generate additional revenues which can be utilized towards the development of the city.

The projects are currently under implementation stage with surveys been completed by all the contractors and inception reports being furnished.

Recognition, Awards and Accolades

While proactively establishing smart solutions to change the face of the city, the Company's efforts are being duly recognized across the nation and globally.

A few significant accolades bestowed upon the company to recognize its achievements:

2015: Pune came 2nd during the Smart City Program held by MoUD, GOI

The following awards were received as part of implementation of projects:

2016: BW Award for Innovative Smart Solution: Knowledge and Intellectual Category for Pune Lighthouse project at Aundh and Yerwada

2016: BW Award for Innovative Smart Solution: Infrastructure for Pune Smart City 24X7 Water Supply initiative

2016: BW Award for Innovative Smart Solution: Social Pune Care App

2016: New York based Rockefeller Foundation (100RC) selected Pune as one of the 100 Resilient cities

2016: Pune was one of the 6 Cities selected as a finalist at the Smart City Expo: World Congress 2016, Barcelona

2017: City of Pune bagged “Best City” award and 14 “Order of Merit” awards at the 49th SKOCH summit while Municipal Commissioner wins “Best City Manager” award. The Pune Municipal Corporation and its partners (PMPML, PSCDCL, CEE, PCC, TATA projects) won independent honor by eminent jury : Creation of a vision community – Pune Smart City Citizen Engagement Campaign, Public

participatory budgeting in Pune, Planning of 24X7 Water supply project for Pune, Digital governance @PMC, Property Tax Management Systems by Pune Municipal Corporation, Smart Street Lighting in Pune, Digital Learning- 100% Digital Literacy in Pune, Education Track on CSR, Pune School Improvement Project, Ganesh Idol Immersion Booth Campaign, Sustainable Livelihood Light houses project to empower underprivileged youth, Urban Marquee project of Placemaking, Construction of individual household latrines in Pune, Sustainable public transport system

CSR Activity

Various corporates, national and global have evinced interests, to help implement smart solutions by way of CSR contribution. The significant contribution received so far by the Company include:

- British Deputy High Commission Mumbai set aside amount to the tune of 150,000 pounds to fund an expert study done by Atkins on Pune Smart City projects
- Jupiter Hospital has contributed setting up toilet blocks and library in the placemaking site at Baner
- Pune Biennial have contributed in shaping up 'art for street' under the street re-design project in Aundh

Forthcoming projects

The following forthcoming Pune Smart City projects are in the anvil during the next few months:

Adaptive Traffic Management System

The "Adaptive Traffic Management System (ATMS)" is one of the critical "Urban mobility" projects proposed in the Smart Cities Proposal for Pune City to improve the network speed within the city of Pune. The key components proposed under this project are vehicle detector sensors, traffic signal controller, communication center, traffic control system with video wall, intelligent application software, etc. The

tender is currently under preparation and would be launched soon.

Electric Buses

As per the Smart city proposal for the city of Pune, the Electric buses project comes under the sector of "Urban Mobility". Under this, to meet the transport requirements of the growing population of Pune city, it is proposed to add eco-friendly electric/ hybrid buses in the transport fleet of Pune Mahanagar Parivahan Mahamandal Ltd (PMPML). The company in association with PMPML has recently applied for the FAME subsidy to procure electric vehicles to operate in the city of Pune to have a cleaner and greener transport medium in the city. PSCDCL seeks to undertake further studies to understand the detail feasibility of the project as well understand the impact of the project from Well to Wheel.

Transit Hub

Transit Hub is a concept to promote Transit Oriented Development in the city of Pune. This is based on an 11 acre land parcel in Balewadi, which would be transformed into an best-in-class "transit hub" integrating the inter city and intra city buses as well as the Pune metro network. Coupled with this, there would be commercial offices and retail spaces. The structuring has been done in a manner to ensure cash flows for PSCDCL to undertake its other projects while ensuring a best-in-class transit hub is developed at no cost to PSCDCL

Apart from the above marquee projects, the below mentioned projects are in the anvil to take the city progress rapidly toward reaching its Smart City Plan objectives

- Optical Fiber cable
- Street Redesign (25.5km)
- Placemaking – additional 20 sites
- Bus Rapid Transit
- Public Bicycle sharing
- Revamping of bus stops
- Smart Parking solutions for the city

SHARE CAPITAL

The Authorized share capital of the Company as of March 31, 2017 is Rs. 5,00,000/- comprising of 50,000 equity shares of Rs. 10/- each. The issued, subscribed and paid up share capital of the Company as on March 31, 2017 was Rs. 5, 00,000/- comprising of 50,000 equity shares of Rs. 10/- each.

In accordance with the Smart City Mission Guidelines (SCMG) of the Government of India, it is decided to provide grants (Rs. 100 crores per year subject to the fulfillment of conditions under the SCMG) to each smart city to fund the projects being undertaken under the Smart City Plan of each city. The said grant amounts have to be matched up with equity contributions by State/ULB.

Whereas, the GoI provided to the Company an initial grant amount of Rs. 186 crores (in addition to Rs. 8 and 2 crores respectively in two tranches) for the initial two years of the incorporation of the Special Purpose Vehicle, i.e. PSCDCL, the State Government of Maharashtra (GoM) and the Pune Municipal Corporation (PMC) have contributed their share of Rs. 186 crores (with an equal share of Rs. 93 crores each) including subscription amounts of Rs. 2,50,000 each as shareholders of the Company. The said amount is to be issued and allotted by way of rights to both the shareholders.

In order to issue the shares to raise the paid and subscribed share capital of the Company, the authorized share capital needs to be increased to provide for further issue and allotment of shares. While the current issue of shares is required for up to Rs. 200 crores, further equity contribution is envisaged under the guidelines over the next three years. Currently it is proposed to increase the

authorized share capital to up to Rs. 300 crores to provide for issue of shares for equity contribution to be received for FY 2017-2018. Accordingly, it is proposed to increase the authorized capital of the Company to accommodate further issue of securities in future, from the existing level of Rs. 5 lakhs to Rs. 300 Crores. As per Section 13 of the Companies Act, 2016 shareholder's approval is required to alter the capital clause of Memorandum of Association of the Company to effect the said increase.

• Status of the Company:

The Company's equity capital is to be contributed by the State Government of Maharashtra and Pune Municipal Corporation (PMC). The Company was mandated for Comptroller & Auditor General Offices (CAG) audit that was later withdrawn by CAG vide letter No.501/CA-VC/35-2016 dated 25.04.2017 informing that PSCDCL is not a Government Company because the equity stake of a Municipality or Local Body i.e. PMC may not be treated at par with the equity stake of State or Central Government and therefore has withdrawn its recommendations for appointment of Statuary Auditors and also Transaction Audit taken up by them. The Board of the Company consciously decided that while PSCDCL continues to follow the accounting practice and General Finance Rules, 2005 / 2017 as mandated by GoI for use of its corpus (equity / grants), at the same time strengthening its audit and compliance in view of Government Audit having been dispensed with. Further the Company continues to follow the instructions of Government of Maharashtra and Government of India and the norms laid down for use of Public Money in accordance with instructions contained in grant of public money received by it from time to time.

COMPOSITION OF BOARD OF DIRECTORS:

a. Present composition:

Name of Director(s)		
Sr. No	As on 31 st March, 2017	As on date of Board's Report
1	Dr. Nitin Nandkishor Kareer, Principal Secretary, UD - 1 Ministry of Urban Development, Government of Maharashtra	Dr. Nitin Nandkishor Kareer, Principal Secretary, UD - 1 Ministry of Urban Development, Government of Maharashtra
2	Mr. Prashant Sudam Jagtap, Mayor, Pune	Mrs. Mukta Shailesh Tilak, Mayor, Pune
3	Mr. Subramanian Padmanabhan, Independent Director	Mr. Subramanian Padmanabhan, Independent Director
4	Mr. Luis Miranda, Independent Director	Mr. Luis Miranda, Independent Director
5	Mr. Chockalingam Sethuraman, Divisional Commissioner, Pune Division	Mr. Chandrakant Narayan Dalvi, Divisional Commissioner, Pune Division
	Mrs. Rashmi Shukla, Police Commissioner, Pune	Mrs. Rashmi Shukla, Police Commissioner, Pune
7	Mr. Kunal Kumar, Representing as Pune Municipal Commissioner and Chairman and Managing Director, PMPML	Mr. Kunal Kumar, Municipal Commissioner, Pune Municipal Corporation
8	Mr. Anand Singh, Director of Estates, MoUD, Smart Cities - I, SEC	Mr. Sajeesh Kumar Naddmal, Director SC - III, Nominee of Central Government, Ministry of housing and Urban Affairs
9	Mrs. Perna Deshbhratar, Additional Commissioner (Special), Pune Municipal Corporation.	Mr. Tukaram Haribhau Munde, Chairman and Managing Director, Pune Mahanagar Parivahan Mandal Limited.
10	Mr. Arvind Tukaram Shinde, (Leader of Opposition) Pune Municipal Corporation	Dr. Rajendra Chandrakant Jagtap, Chief Executive Officer and Executive Director
11	Mr. Deepak Kaluram Bodke, (Standing Committee Chairman) Pune Municipal Corporation	Mr. Chetan Vitthal Tupe, (Leader of Opposition) Pune Municipal Corporation
12	Mr. Shankar Dattatraya Kemse, (Leader of House) Pune Municipal Corporation	Mr. Murlidhar Kisanrao Mohol, (Standing Committee Chairman) Pune Municipal Corporation
13	Mr. Ashok Kondiba Yenpure, (Elected Councilor 1), Pune Municipal Corporation	Mr. Shrinath Yashwant Bhimale, (Leader of House), Pune Municipal Corporation
14	Mr. Ravindra Hemraj Dhangekar, (Elected Councilor 2), Pune Municipal Corporation	Mr. Sanjay Shashikant Bhosale (Elected Councilor 1), Pune Municipal Corporation
15		Mr. Ravindra Hemraj Dhangekar, (Elected Councilor 2), Pune Municipal Corporation

b. Changes in the composition of Board of Directors after the Balance Sheet date:

No.	Position	With Effect	Change	
			From	To
1	Director - PSCDCL (Mayor, Pune)	15th April, 2017	Mr. Prashant Sudam Jagtap	Mrs. Mukta Shailesh Tilak
2	Director - PSCDCL (Divisional Commissioner, Pune Division)	12th May, 2017	Mr. S. Chocklingam	Mr.Chandrakant Narayan Dalvi
3	Director - PSCDCL (Chairman and Managing, Pune Mahanagar Parivahan Mandal Limited)	15th April, 2017	Mr. Kunal Kumar	Mr. Tukaram Haribhau Mundhe
4	Director - PSCDCL (Leader of House, Pune Municipal Corporation)	15th April, 2017	Mr. Shankar Dattatraya Kemse	Mr. Shrinath Yashwant Bhimale
5	Director - PSCDCL (Standing Committee Chairman, Pune Municipal Corporation)	15th April, 2017	Mr. Deepak Kaluram Bodke	Mr. Murlidhar Kisanrao Mohol
6	Director - PSCDCL (Leader of Opposition Pune Municipal Corporation)	15th April, 2017	Mr. Arvind Tukaram Shinde	Mr. Chetan Vitthal Tupe
7	Director - PSCDCL (Elected Councilor 1, Pune Municipal Corporation)	15th April, 2017	Mr. Ashok Kondiba Yenpure	Mr. Sanjay Shashikant Bhosale
8	Director - PSCDCL (Elected Councilor 2, Pune Municipal Corporation)	15th April, 2017	Mr. Ravindra Hemraj Dhangekar	Mr. Ravindra Hemraj Dhangekar
9	Director - PSCDCL (Chief Executive Officer and Executive Director)	29th July, 2017	Mrs. Prerna Deshbhratar	Dr. Rajendra Chandrakant Jagtap
10	Director - PSCDCL (Nominee of Central Government)	4th Dec, 2017	Mr. Anand Singh	Mr. Sajeesh Kumar Naddmal

The Board of Directors of the Company have been appointed as First Directors at time of incorporation of the Company, as nominees / representatives of the Central Government, State Government, Pune Municipal Corporation, Independent directors and Executive Director of the Company in accordance with the Smart City Mission Guidelines, Government Orders and the Articles of Association of the Company. Whereas, all the directors have been

appointed at the Board Meetings under 'Additional / Nominee' categories, the said appointments need to be regularized by way of seeking shareholders' approval to confirm their appointment as Directors of the Company. As per the provisions of Companies Act, 2013 tenure of such directors appointed in board meeting shall end at the ensuing Annual General Meeting for that year unless regularized as mentioned herein.

c. Directors appointed as Non-Executive Directors as Nominee of Maharashtra State Government, Pune Municipal Corporation and Central Government:

Sr. No.	Name of Director	Date of Appointment
1	Dr. Nitin Nandkishor Kareer	31.05.2016
2	Mrs. Mukta Shailesh Tilak	15.04.2017
3	Mr. Chandrakant Narayan Dalvi	12.05.2017
4	Mrs. Rashmi Shukla	30.04.2016
5	Mr. Sajeesh Kumar Nadmmal	04.12.2017
6	Mr. Kunal Kumar	23.03.2016
7	Mr. Tukaram Haribhau Mundhe	15.04.2017
8	Mr. Murlidhar Kisanrao Mohol	15.04.2017
9	Mr. Shrinath Yashwant Bhimale	15.04.2017
10	Mr. Chetan Vitthal Tupe	15.04.2017
11	Mr. Sanjay Shashikant Bhosale	15.04.2017
12	Mr. Ravindra Hemraj Dhangekar	15.04.2017

Appointment of Independent Directors for a period of 5 years: Further, the tenure of the Independent Directors appointed as additional directors conclude at the end of the ensuing Annual General Meeting of the Company and the same needs to regularized by seeking shareholders' approval to appoint these persons as directors on the Board. As per the provisions of section 149 of the Companies Act, 2013, an Independent director shall hold office for a term up to five consecutive years on the board of a company and shall not be liable to retire by rotation. It is proposed to appoint Mr. Subramanian Padmanabhan and Mr. Luis Miranda as Independent

Directors at the ensuing annual general meeting for a period of 5 years.

Both the Independent Directors have expertise in specific functional areas and are eminent personalities in their respective fields. Their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Subramanian Padmanabhan and Mr. Luis Miranda as directors on the Board. The Independent Directors have given their declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

Details of their dates of appointment are as follows:

Name of Director	Date of Apoinment
Mr. Subramanian Padmanabhan	14.12.2016
Mr. Luis Miranda	29.12.2016

Mr. Rajendra Jagtap was appointed as the Chief Executive officer and Executive Director w.e.f. 29th July, 2017. The said appointment was up to the ensuing Annual General Meeting of the Company and the same is liable for regularization by seeking shareholders' approval for the same. Mr. Jagtap's professional expertise and rich experience will be a huge asset for the Company and will further help in the positive and upward growth of the Company. The Board also recommends the Members to approve his appointment along with remuneration payable.

The Board recommends the above appointments at the ensuing Annual General Meeting.

SUBSIDIARY

Pune Idea Factory Foundation (Company registered under Section 8 of Companies Act, 2013) is a wholly owned subsidiary of the Company and was incorporated on January 20th, 2017. The Company is engaged in the activities related to promoting,

incubating, assisting sustainable start-ups along with providing and promoting synergies among interested / relevant entrepreneurs etc.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company along with (unaudited) financial statements of its Subsidiary Company - Pune Idea Factory Foundation for the period ended 31st March, 2017 have been prepared by the Company and form part of this report.

SECRETARIAL AUDIT

The provisions of section 204 of the Companies Act, 2013 with respect to secretarial audit are currently not applicable to the Company. Accordingly, the Company has neither appointed Secretarial Auditor nor carried out the Secretarial Audit for the period under review.

Company has neither appointed Secretarial Auditor nor carried out the Secretarial Audit for the period under review.

DEPOSITS

The Company has not invited, accepted or renewed any deposits from the public falling under the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

EXTRACTS OF ANNUAL RETURN

The extract of the Annual Return of the Company for

the financial period ended March 31, 2017 in Form MGT-9 is annexed herewith as Annexure "I" and forms part of this Report.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee have framed the Nomination and Remuneration Policy with respect to the appointment and remuneration of Directors, Key Managerial Personnel (KMPs) and Senior Management. The Nomination & Remuneration Policy is a part of Directors' Report by way of Annexure "II" and forms part of this Report.

MEETINGS OF THE BOARD HELD DURING THE PERIOD UNDER REVIEW

The details of the board meetings held during the period under review -

Board Meeting Number	Date of Board Meeting
01	18 th April, 2016
02	30 th April, 2016
03	31 st May, 2016
04	21 st June, 2016
05	16 th July, 2016
06	20 th August, 2016
07	14 th December, 2016
08	29 th December, 2016
09	10 th March, 2017

COMPOSITION OF AUDIT COMMITTEE

Audit Committee of the Company has been constituted as per Section 177 of the Companies Act, 2013, Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and in accordance

with Articles of Association of the Company. The composition, functions, powers and duties of the Audit Committee of the Company was adopted at Board's meeting held on August 20, 2016.

Composition:

Audit Committee	Leader of Opposition of the Pune Municipal Corporation, Member and Chairman of the Committee 2 Independent Directors, as Members
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Current composition of the Committee is provided herein below:

Members
Mr. Chetan Vitthal Tupe, Leader of Opposition, PMC
Mr. Subramanian Padmanabhan, Independent Director
Mr. Luis Miranda, Independent Director

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee of the Company has been constituted as per section 178 of the Companies Act, 2013, Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and in line with the Articles of Association of the Company.

The composition, functions, powers and duties of the Nomination & Remuneration Committee of the Company was adopted at Board's meeting held on August 20, 2016.

Composition:

Nomination and Remuneration Committee	Divisional Commissioner, Pune Division, Member and Chairman of the Committee 2 Independent Directors, as Members
--	---

Current composition of the Committee is provided herein below:

Members
Mr. Chandrakant Narayan Dalvi, Divisional Commissioner, Pune Division
Mr. Subramanian Padmanabhan, Independent Director
Mr. Luis Miranda, Independent Director

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans under Section 186 of the Companies Act, 2013.

The Company has made a total investment of Rs. 4.9 crores in its wholly owned subsidiary, Pune Idea Factory Foundation. The said investment has been approved by the Board of Directors in its meeting held on 14th December, 2016 and is within the limits given under section 186 of the Companies Act, 2013.

The Company has not given any Corporate Guarantee under Section 186 of the Act, 2013.

INTERNAL FINANCIAL CONTROLS

The Company is required to follow the provisions of Companies Act, 2013, under sections 134 and 143 read with Companies (Accounts) Rules, 2014, with respect to Internal Financial Controls (IFCs) by adopting an adequately designed and effectively operating internal controls mechanism over financial reporting (ICOFR) framework and an enterprise risk management policy. The Company followed the several guidelines on procurement and investment, GFR etc. as applicable under various governmental regulations that had implicit controls built in, it also engaged services of external consultants to formally

document the existing systems and also plug gaps if any to ensure compliances in the matter to the fullest. The draft internal controls mechanism along with risk management is formally being put in place currently.

RISK MANAGEMENT POLICY

As part of its internal financial controls process that is currently being set up in the Company, a risk management policy is also in advanced stages of being framed and will be adopted for implementation along with the Internal Financial Controls program shortly.

ESTABLISHMENT OF VIGIL MECHANISM

While the provisions of section 177(9) of the Companies Act, 2013 the Vigil Mechanism is currently not applicable to your Company, it is proposed that Company adopts a vigil mechanism and frame and adopt a whistle bower policy for its directors and employees along with the necessary rules and regulations and make necessary arrangements for the employees to raise and report their genuine concerns to the appointed authority. The same shall be put into implementation soon.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Section 4 (1) says "every employer of a workplace shall, by an order in writing constitute a committee to be known as the "Internal Complaints Committee". The Company fully respects the Vishakha Guidelines in spirit and practice and as

part of its Human Resource Policy has duly adopted the same and provided for detailed provisions in its Employee Code of Conduct. The Company also has framed a draft Internal Complaints Committee (ICC) Policy under the aforesaid act and is completing process of constituting the ICC Committee to implement the same.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

RELATED PARTY TRANSACTIONS

Provisions of section 188 are not applicable during the period under review. None of the directors has any material pecuniary relationships or transactions vis-a vis the Company, except for the Chief Executive Officer & Executive Director to the extent of remuneration drawn.

Relationship Between Pune Municipal Corporation And The Company

The Company is a special purpose vehicle incorporated to plan, design, carry out technical and financial appraisals, structure, construct, execute, maintain, manage and operate the projects envisaged under Smart City Proposal of the Pune Municipal Corporation (PMC) approved by the Central Government under the Smart City Mission. The Memorandum and Articles of Association of the Company are drawn accordingly and have been approved by the General Body of the PMC on February 25, 2016 vide resolution number 914. Articles of the Company prescribe that it shall have

the right to exercise the powers delegated by the Maharashtra State Government and the PMC subject to extent and as provided under the Maharashtra Municipalities Act 1949, which include rights and obligations of PMC with respect to the Smart Cities Mission, decision making power available to the PMC under the Maharashtra Municipalities Act 1949/ Government Rules by the Chief Executive Office and approval or decision making powers related to project implementation under Smart Cities Mission available to the various departments of the State Government to be exercised by the Board of directors of PSCDCL.

The Company for furtherance of the objectives of Smart City Mission and its activities requires usage of certain infrastructure and resources including labor, technical, etc. of PMC and performing certain duties or obligations of PMC as a civic body for improvement or modernization of the same under the projects undertaken as its Objectives.

While a broad approval vide General Body's resolution stated herein above has been provided along with the approval of the Smart City Mission, the PMC is requisitioned to approve the utilization of the infrastructure and resources and delegation of its obligations or duties as a civic body to PSCDCL and accordingly a Memorandum of Understanding between PSCDCL and PMC is envisaged and it is proposed to obtain approval of the GB of PMC that will provide rights of usage and earn revenues including but not limited to all necessary approvals to implement the Smart City Plan as desired.

AUDIT, STATUTORY AUDITORS AND AUDITORS' REPORT

The Company was formed as a Special Purpose Vehicle under the Smart City Guidelines of the GoI and was subjected to audit by CAG. Accordingly, as per the order of the CAG offices, the Company

was mandated to engage the service of M/s Patil Ranadive & Associates, LLP Chartered Accountants, Pune to be appointed as its first auditors for a period of one year. Subsequently, the order was withdrawn since as per the order the Company did not fall under the applicable category of companies to whom such audit applied. Your Company chose to continue with the appointed first (statutory) Auditors of the Company in the board meeting held on 10th March, 2017. The term of the first auditors comes to an end at the ensuing annual general meeting. It is proposed to appoint M/s Patil Ranadive & Associates, LLP Chartered Accountants, Pune as statutory auditors whose term shall come to an end at the sixth annual general meeting of the Company. The Auditors have confirmed their eligibility under section 141 of the Companies Act, 2013 and the rules made thereunder for appointment as Auditors of the Company.

The Board recommends their appointment.

Adoption of Accounts Standards: In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has voluntarily adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 for the period ended March 31, 2017. The financial statements, for the period from March 23, 2016 to March 31, 2017 are the Company's first financial statements prepared in accordance with Ind-AS.

Auditors' Report

There is no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors of the Company in their report for the financial year ended March 31, 2017. Hence, they do not call for any further explanation or comment u/s 134 (3) (f) of the Companies Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Conservation of Energy:

Pune aspires to become one of the most livable cities in India by solving its core infrastructure issues in a "future-proof" way, and by making its neighborhoods beautiful, clean, green and livable. With this vision 51 projects were envisaged under the Smart Cities Mission.

Street lighting is a key project initiated under 'Sustainability of core infrastructure' proposed to upgrade 70,000+ street lights to energy efficient LED street lights. Pune Smart City Development Corporation Ltd (PSCDCL) is implementing the project at no cost to Pune city. This project is being implemented through a PPP concession without any capital investment or Operating Expenditure expenses from PSCDCL or PMC.

Ujwal Pune, is a wholly owned subsidiary of Tata Projects Limited which is implementing this project across Pune city. The contract assumes execution period of 1 year followed by an O&M concession of 12 years. As part of this project, Smart SCADA controlled LED lights have been deployed across the city and are integrated with the Command Centre. The state of the art Command Control Centre allows centralized monitoring and control of illumination levels, fault notification and performance monitoring. The illumination levels are similar or higher than IS1944 facilitating a more safer environment by providing better quality of white light.

The energy efficient LED street lights offer savings of 30 to 50%, has 10-20 % more life and carries free replacement/ maintenance for 12 years. At the end of the concession, all the assets would be handed over to PMC.

Currently, in excess of 50,000 street lights have been replaced across the city.

Technology Absorption: NA

Foreign Exchange Earning and Outgo: NIL

DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them and also based on the representations received from the Operating Management, your directors make the following statement in terms of Section 134 (3) (c) of the Companies Act, 2013 that:

- in the preparation of the annual accounts for the financial period ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- such accounting policies as mentioned in the Notes to the Financial Statements have been selected 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 as at March 31, 2017 and of the profit and loss of the Company for the financial period ended March 31, 2017;
- proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts for the financial period ended March 31, 2017 have been prepared by them on a going concern basis;

- proper Internal financial controls have been followed by the company and that such internal financial controls are adequate and were operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors express their gratitude to Banks, FIs, and various other agencies for the co-operation extended to the Company. The Directors also take this opportunity to thank the shareholders, customers, suppliers, lenders, distributors and other stakeholders for the confidence reposed by them in the Company. The employees of the Company contributed significantly in achieving the results. The Directors take this opportunity of thanking them and hope that they will maintain their commitment to excellence in the years to come.

For and on behalf of the Board,

Pune Smart City Development Corporation Limited

sd/-

Kunal Kumar
Director
DIN:07410973

sd/-

Rajendra C. Jagtap
ED & CEO
DIN:07870524

Place: Pune

Date: 4.12.2017

ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial period ended 31st March, 2017

[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:

Sr. No.	Particulars	Details
1	CIN	U93000PN2016SGC158980
2	Registration Date	23 rd March, 2016
3	Name of the Company	Pune Smart City Development Corporation Limited
4	Category/Sub Category of the Company	Company Limited by Shares/ State Government Company
5	Address of Registered Office and Contact details	P.M.C. Main Building Shivajinagar, Pune - 411005
6	Whether listed Company	Not Listed
7	Name, Address and contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Descriptions of main products / services	Name Code of the Product Service	% to total turnover of the company
1	SPV	75133	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the Company	CIN /GLN	Holding/Subsidiary? Associate	% of shares held	Applicable Section
PUNE IDEA FACTORY FOUNDATION	U9300PN2017NPL168052	Subsidiary Company	100%	2(87)

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

A. Category-wise Share Holding

Category of shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF		-	-	-	-	-	-	-	-
b) Central Govt		-	-	-	-	-	-	-	-
c) State Govt (s)		25000	25000	50%		25000	25000	50%	NIL
d) Bodies Corporate		-	-	-	-	-	-	-	-
e) Banks / FI		-	-	-	-	-	-	-	-
f) Any other- Pune Municipal Corporation		25000	25000	50%		25000	25000	50%	
Sub -Total A (1)		50000	50000	100%		50000	50000	100%	NIL
(2) Foreign									
a) NRIs - Individual		-	-	-	-	-	-	-	-
b) Other Individual		-	-	-	-	-	-	-	-
c) Bodies Corporate		-	-	-	-	-	-	-	-
d) Banks / FI		-	-	-	-	-	-	-	-
e) Any other		-	-	-	-	-	-	-	-
Sub - Total A (2)		-	-	-	-	-	-	-	-
Total shareholding Promoter (A) = (A) 1 + (A) 2		50000	50000	100%	-	50000	50000	100%	NIL

B. Public shareholding N.A									
(1) Indian									
a) Individual / HUF		-	-	-	-	-	-	-	-
b) Central Govt		-	-	-	-	-	-	-	-
a) Mutual Funds		-	-	-	-	-	-	-	-
b) Banks / FI		-	-	-	-	-	-	-	-
c) Central Govt		-	-	-	-	-	-	-	-
d) State Govt		-	-	-	-	-	-	-	-
e) Venture capital Funds		-	-	-	-	-	-	-	-
f) Insurance Companies		-	-	-	-	-	-	-	-
g) FIs		-	-	-	-	-	-	-	-
h) Foreign Venture capital funds		-	-	-	-	-	-	-	-
I) Others		-	-	-	-	-	-	-	-
Total B (1)		-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp		-	-	-	-	-	-	-	-
i) Indian		-	-	-	-	-	-	-	-
ii) Overseas		-	-	-	-	-	-	-	-
b) Individual		-	-	-	-	-	-	-	-
I) Individual shareholders holding nominal share capital up to Rs. 1 Lakh		-	-	-	-	-	-	-	-
I) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh		-	-	-	-	-	-	-	-
c) Others		-	-	-	-	-	-	-	-
Sub - Total B (2)		-	-	-	-	-	-	-	-
Total shareholding of Promoter (B) = (B) 1 + (B) 2		-	-	-	-	-	-	-	-
C. Shares Held by Custodian for GDRs & ADRs		-	-	-	-	-	-	-	-
GRAND TOTAL (A + B + C)		50000	50000	100%	-	50000	50000	100%	NIL

B. Shareholding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total shares of the company	% of shares Pledge / encumbered to total shares	No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	% change in shareholding during the year
	State Government of Maharashtra (Through its authorized representative holding the position of Divisional Commissioner, Pune Division)	25000	50	0	25000	50	0	0
	Pune Municipal Corporation (through its six authorized representative as follows: a. Mayor of Pune, b. Municipal Commissioner c. Leader of Opposition d. Leader of House e. Standing Committee Chairman f. CEO and Executive Director.	25000	50	0	25000	50	0	0
	Total	50000	100		50000	100	0	0

C. Change in Promoters' Shareholding: Not applicable for the period under review

Sr. No.		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 changes	-	-	-	-
	At the end of the year	-	-	-	-

D. Shareholding Pattern of top Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not applicable for the period under review

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	(From each one separate)				
	At the beginning of the year	-	-	-	-
	Date wise changes	-	-	-	-
	At the end of the year	-	-	-	-

**E. Shareholding of Directors and Key Managerial Personnel:
No Directors of the Company hold any shares in their name**

Sr. No.		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 changes	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS: Not applicable for the period under review

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

	Secured Loans excluding deposits	Unsecured loans (ECB)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	-	-	-	-
ii) interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL	-	-	-	-
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	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Not applicable for the period under review)

Sr. No.	Particulars of Remuneration		Total Amount
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	-	-
	© 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	-	-
5	Others	-	-
	Ceiling as per act	-	-

b. Remuneration to other Directors: Not applicable for the period under review

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager / Director	Total Amount (Rs.)
1.	Independent Directors		
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify		
	Total (1)	-	-
2.	Other Non - Executive Directors		
	Fee for attending board committee meetings		
	Commission	-	-
	Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)		
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (Rs.)			
		CEO	CS	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	-	3,48,148	3,94,253	7,42,401
	(b) Value of perquisites u/s 17(2) Income - tax Act, 1961	-	-	-	-
	© 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	-	-	-	-
5	Others	-	-	-	-
	Total	-	3,48,148	3,94,253	7,42,401

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Not applicable for the period under review

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

For and on behalf of the Board

Pune Smart City Development Corporation Limited

sd/-

sd/-

Kunal Kumar

Director

DIN: 07410973

Rajendra C. Jagtap

ED & CEO

DIN: 07870524

Place: Pune

Date: 4.12.2017

ANNEXURE II

Nomination & Remuneration Policy

1. Introduction:

In terms of Section 178 of the Companies Act, 2013 and clause 49 of the listing agreement (as amended from time to time), this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management of Pune Smart City Development Corporation Limited has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors. This policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

2. Definitions:

In this policy unless the context otherwise requires

a) Act means The Companies Act, 2013 and rules made thereunder, as amended from time to time.

b) Company means Pune Smart City Development Corporation Limited.

c) Board means Board of Directors of Pune Smart City Development Corporation Limited.

d) Independent Director means a Director referred to in Section 149 (6) of The Companies Act, 2013 (read with clause 49 of the listing agreement).

e) Committee means Nomination and Remuneration Committee of the Company as constituted by the Board from time to time.

f) M&SS means Managerial & Superintending Staff of the Company.

g) Key Managerial Personnel or KMP means Managing Director, Joint Managing Director, Whole-time

Director, Chief Financial Officer, Company Secretary and such other persons who may be deemed to be KMP under the Companies Act, 2013.

h) Senior Management Personnel means personnel of the Company comprising of all members of management one level below the executive directors including the functional heads. The designation and categories of such Personnel will be determined by the Company based on the functional and reporting structure.

i) ASR means Annual Salary Review.

j) SLx means Salary Level.

The words and expressions used but not defined herein, but defined under the Companies Act, 2013 shall have the meaning assigned therein.

3. Constitution of the Nomination and Remuneration Committee:

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with PSCDCL policies and applicable statutory requirements. At present, the Nomination and Remuneration Committee of the Company comprises of the following members:

- a) Mr. C N Dalvi, Chairman and Director
- b) Mr. S Padmanabhan, Independent Director
- c) Mr. Luis Miranda, Independent Director

Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee shall be continued unless terminated by the Board of Directors.

4. Key objectives of the Committee:

- a) To guide the Board in relation to the appointment and changes in Directors, Key Managerial Personnel and Senior Management including appointment of M&SS in KMP and Senior Management positions;

b) To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation;

c) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management;

d) To develop a succession plan for the Board and to regularly review the plan;

e) To determine remuneration based on Company's financial position, trends and practices on remuneration prevailing in the industry;

f) To retain, motivate and promote talent and to ensure long term sustainability of M&SS talent including KMPs & Senior Management Personnel and create competitive advantage; and

g) Consider any other matters as may be requested by the Board.

5. Meetings:

The meeting of the Committee shall be held at regular intervals as deemed fit and appropriate. The Company Secretary of the Company shall act as the Secretary of the Committee.

The Nomination and Remuneration Committee shall set up a mechanism to carry out its functions, any /all of its powers to any of the Executive / Whole-time Directors and/or Senior M&SS of the Company, as deemed necessary for proper and expeditious execution.

The Chairman of the Committee or in his absence any other member of the Committee authorized by him on his behalf shall attend general meetings of the Company.

6. Committee Members' interest:

a) A member of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee

7. Effective Date:

This policy is effective from June, 2017

8. Appointment of Director, Key Managerial Personnel & Senior Management - Criteria & Qualification:

The appointment of Director, Key Managerial Personnel and Senior Management will be based on the outcome of strategic planning.

The recruitment process for selection to these categories of personnel commences after the approval of manpower requisitions by the appointing authority. Relevant approval of concerned is also obtained as part of the process, as deemed fit depending upon the level of hiring.

The Committee shall consider the standards of qualification, expertise and experience of the candidates for appointment as Director, Key Managerial Personnel and Senior Management and accordingly recommend to the Board his/her appointment.

9. Remuneration to Directors, Key Managerial Personnel, Senior Management Personnel and other employees:

a) The Key Managerial Personnel, Senior

Management Personnel and other employees shall be paid remuneration as per the human resource (compensation and benefits) policy of the Company as revised through the Annual Salary Review process from time to time.

b) The Human Resource department will inform the Committee, the requisite details on the proposed increments for every cycle / process including payouts for the variable part (Performance Incentive).

c) The compensation structure will also be based on the market salary survey. The survey for total remuneration would be commissioned with external consultants. The Basket of Companies will be finalized by HR department after considering all the relevant aspects.

d) The composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to meet high standards of performance. The relationship of remuneration to performance shall be clear and meet appropriate performance benchmarks. The Committee may review remuneration of identified senior management personnel from time to time.

e) Remuneration / Compensation to Non-Executive & Independent Directors:

Sitting Fees: The Non-executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee and ad-hoc meetings having relation to Company's business thereof in accordance with the provisions of Act.

Profit-linked Commission: Profit-linked commission may be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the

Company computed as per the applicable provisions of the Act. Profit linked commission would comprise of a fixed and variable component considering the overall performance of the Company, attendance at the meetings of Board / Committees, Membership / Chairmanship of Committees and responsibilities of Directors.

Other remuneration: In case of outstation meetings, expenses would be shall reimbursed for stay, boarding, tips etc.

All travel and stay arrangements for attending and any other expenses incurred for participating in all meetings of the Company including board and committee, would be borne by Company.

10. Policy on Board diversity:

The Board of Directors shall comprise of Directors having expertise in different areas / fields like Finance, Sales and Marketing, Banking, Engineering, etc. or as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The Board shall have a least one Board member who has accounting or related financial management expertise.

11. Appointments / Removals - amongst Directors, Key Managerial Personnel & Senior Management:

The Committee may recommend to the Board, changes in Board, Key Managerial Personnel or Senior Management Personnel, including confirmation of appointment as may be necessary from time to time subject to the provisions of the Act and applicable Company's policies i.e., Rules and Regulations of Service and Conduct for M&SS, Code of Business.

Conduct and Principles of legal compliance framed

and adopted by the Company from time to time.

The Key Managerial Personnel and Senior Management Personnel shall superannuate as per the applicable provisions of the regulation and prevailing policy of the Company.

The Board will have the discretion to retain the Key Managerial Personnel and Senior Management Personnel in the same position / remuneration or revised remuneration after attaining the age of superannuation for organizational development reasons.

12. Amendments to the Nomination and Remuneration Policy:

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit.

INDEPENDENT AUDITORS' REPORT

To The Members of Pune Smart City Development Corporation Limited

Report on the standalone Financial Statements

We have audited the accompanying standalone financial statements of Pune Smart City Development Corporation Limited ("the Company") which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place

an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit/Loss for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the following matters in the Notes to the financial statements:

1) MoUD has deducted Rs. 4.00 crores at source towards MoUD Share of expenses. No supporting are available for same and hence expenses (& corresponding Income) are booked as mentioned in Clause No. 11.4 as mentioned in Mission Statements & Guidelines.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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

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

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 dealt with by this Report are in agreement with the books of account

d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
M/s Patil Ranadive & Associates LLP
Chartered Accountants
Firm Registration No. 107816W/W100222

Sd/-

Partner
CA J.J. Ranadive
Mem. No: 032953
Place: Pune
Date : 04/12/2017

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

2. (a) The management has conducted the physical verification of inventory at reasonable intervals.

(b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6. As informed to us, maintenance of Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Act, is not applicable because the company does not fulfill the criteria of maintaining the Cost Records.

7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, there are no dues of income tax, service tax, duty of customs, duty of excise, outstanding on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9. Based upon the audit procedures performed and the information and explanations given by the

management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
M/s Patil Ranadive & Associates LLP
Chartered Accountants
Firm Registration No. 107816W/W100222

Sd/-

Partner
CA J.J. Ranadive
Mem. No: 032953
Place: Pune
Date : 04/12/2017

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Pune Smart City Development Corporation Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
M/s Patil Ranadive & Associates LLP
Chartered Accountants
Firm Registration No. 107816W/W100222

sd/-

Partner
CAJ.J. Ranadive
Mem. No:032953
Place: Pune
Date :04/12/2017

Pune Smart City Development Corporation Limited
Balance Sheet as at March 31, 2017

(Amount in Rupees)

	Particulars	Note No	As at March 31,2017
A	ASSETS		
	1 Non-current assets		
	(a) Property, Plant and Equipment"	3	1,66,201
	(b) Capital work-in-progress	3	1,16,54,029
	(c) Other Intangible assets	3	45,312
	(d) Financial Assets - Investments	4	4,90,00,000
	(f) Income Tax Assets (net)		2,07,21,880
	(g) Deferred tax assets (net)	8	21,216
	(h) Other non-current assets	5	8,20,78,839
	Total Non - Current Assets		16,36,87,477
2	Current assets		
	(a) Financial Assets		
	(i) Cash and cash equivalents	6	1,00,20,61,825
	(ii) Bank balances other than (iii) above	6	2,82,00,70,978
	(iii) Others Financial Assets	7	15,05,94,218
	Total Current Assets		3,97,27,27,021
	Total Assets (1+2)		4,13,64,14,498
B	EQUITY AND LIABILITIES		
	1 Equity		
	(a) Equity Share capital	9	5,00,000
	(b) Other Equity	9.1	1,86,01,07,228
	Equity attributable to owners of the Company (I)		1,86,06,07,228
	2 LIABILITIES		
	3 Non-current liabilities		
	Other non - current liabilities		2,06,11,17,924
	Total Non - Current Liabilities	10	2,06,11,17,924
	Current liabilities		
	(a) Financial Liabilities		
	(i) Trade and other payables		5,08,59,387
	(ii) Other financial liabilities	11	16,10,05,615
	(b) Other current liabilities	12	28,24,344
	Total Current Liabilities	10	21,46,89,346
	Total Equity and Liabilities (1+2+3)		4,13,64,14,498
	Significant accounting policies See accompanying notes forming part of the financial statements.	2 1 - 28	

In terms of our report attached.
For Patil Randive & Associates LLP
 Chartered Accountants
 FRN 107816W/W100222

sd/-
 J J Randive
 Partner
 M No 32953

Date : 04-12-2017
 Place : Pune

For and on behalf of the Board of Directors of
Pune Smart City Development Corporation Limited

sd/-
 Kunal Kumar
 Director
 DIN 07410973

sd/-
 Devendra Agarwal
 Chief Finance Officer

sd/-
 Rajendra Jagtap
 Chief Executive Officer & Executive Director
 DIN 07870524

sd/-
 Geetu Sachdeva
 Company Secretary

Date : 04-12-2017
 Place : Pune

Pune Smart City Development Corporation Limited
Statement of Profit and Loss for the year ended March 31, 2017

(Amount in Rupees)

Particulars	Note No.	For the Period from March 23, 2016 to March 31, 2017
Continuing Operations		
I Revenue from operation		-
II Other Income	13	186,078,687
III Total Income (I + II)		186,078,687
IV EXPENSES		
(a) Employee benefit expense	14	825,216
(b) Finance costs	15	556,119
(c) Depreciation and amortization expense	3	3,464
(d) Other expenses	16	18,38,15,121
Total Expenses (IV)		18,51,99,920
V Profit/(loss) before tax (III - IV)		8,78,767
VI Tax Expense		
(1) Current tax	8	2,92,755
(2) Deferred tax	8	-21,216
(3) (Excess) / Short provision for tax of earlier years		-
Total tax expense VI		2,71,539
VII Profit/(loss) after tax (V - VI)		6,07,228
VIII Other comprehensive income		
Items that will not be recycled to profit or loss		
- Re measurements of the defined benefit liabilities / (asset)		
IX Total comprehensive income for the period (VII + VIII)		6,07,228
X Earnings per equity share		
(1) Basic	19	12.14
(2) Diluted	19	12.14
Significant accounting policies	2	
See accompanying notes forming part of the financial statements.	1 - 28	

In terms of our report attached.
For Patil Randive & Associates LLP
Chartered Accountants
FRN 107816W/W100222

sd/-
J J Randive
Partner
M No 32953

For and on behalf of the Board of Directors of
Pune Smart City Development Corporation Limited

sd/-
Kunal Kumar
Director
DIN 07410973

sd/-
Rajendra Jagtap
Chief Executive Officer & Executive Director
DIN 07870524

sd/-
Devendra Agarwal
Chief Finance Officer

sd/-
Geetu Sachdeva
Company Secretary

Date : 04-12-2017
Place : Pune

Date : 04-12-2017
Place : Pune

PUNE SMART CITY DEVELOPMENT CORPORATION LIMITED
CIN-U93000PN2016SGC158980
P.M.C. MAIN BUILDING SHIVAJINAGAR Pune MH 411005
Cash Flow Statement

(Amount in Rupees)

S No.	Particulars	Amount	Amount
1	<u>Cash flows from operating activities</u>		
	Net profit before taxation, and extraordinary item	878,767	
	Adjustments for Depreciation	3,464	
	Interest Income	(16,82,92,986)	
	Interest Paid	5,54,681	
	<i>Operating profit before working capital changes</i>	(16,68,56,074)	
	Increase in Trade Payable	3,86,66,261	
	Increase in Short Term Provisions	1,21,93,126	
	Increase in Other Current Liabilities	16,41,22,714	
	Increase in Deferred Income - Interest Capitalized	10,90,67,924	
	Increase in Other Current Assets	(18,51,30,537)	
	<i>Cash generated from operations</i>	(2,79,36,586)	
	Income Tax Paid	(2,92,755)	
	Net cash used in operating activities		(2,82,29,341)
2	<u>Cash flows from investing activities</u>		
	Purchase of fixed assets	(214,977)	
	Interest received	16,82,92,986	
	Advance for Project	(6,85,57,155)	
	Equity Share in PIFF	(4,90,00,000)	
	Investment in Capital Work-in-progress Projects	(1,16,54,028)	
	Net cash used in investing activities		3,88,66,826
3	<u>Cash flows from financing activities</u>		
	Proceeds from issuance of share capital	5,00,000	
	Interest paid	(5,54,681)	
	Contribution received from Shareholders towards equity	1,92,97,50,000	
	Grant received from Gol	1,88,18,00,000	
	Net cash used in financing activities		3,81,14,95,319
4	Net increase in cash and cash equivalents		3,82,21,32,803
5	Cash and cash equivalents at beginning of period		-
6	Cash and cash equivalents at end of period		3,82,21,32,803

In terms of our report attached.
For Patil Randive & Associates LLP
 Chartered Accountants
 FRN 107816W/W100222

For and on behalf of the Board of Directors of
Pune Smart City Development Corporation Limited

sd/-
 J J Randive
 Partner
 M No 32953

sd/-
 Kunal Kumar
 Director
 DIN 07410973

sd/-
 Rajendra Jagtap
 Chief Executive Officer & Executive Director
 DIN 07870524

sd/-
 Devendra Agarwal
 Chief Finance Officer

sd/-
 Geetu Sachdeva
 Company Secretary

Date : 04-12-2017
 Place : Pune

Date : 04-12-2017
 Place : Pune

Pune Smart City Development Corporation Limited
Statement of changes in equity

A. Changes in Equity

(Amount in Rupees)

Particulars	As at March 31, 2017
Balance at the beginning of the period	-
Shares issued during the period	5,00,000
Balance at the end of the period	5,00,000

B. Changes in other Equity

(Amount in Rupees)

Particulars	Contribution received from Shareholders towards equity	Retained earnings	Total
Balance at the beginning of the period	-	-	-
Profit for the period	-	6,07,228	6,07,228
Addition during the period	1,85,95,00,000	-	1,85,95,00,000
Balance as at March 31, 2017	1,85,95,00,000	6,07,228	1,86,01,07,228

Pune Smart City Development Corporation Limited Notes forming part of the financial statements

1. CORPORATE INFORMATION

Pune Smart City Development Corporation Limited ('PSCDCL' or 'the company') is a public company domiciled and incorporated in India under the Companies Act, 2013 ('the Act'). The registered office of the company is situated at Pune Municipal Corporation (PMC) office Main Building at Shivaji Nagar Pune. PSCDCL is Special Purpose Vehicle (SPV) formed under Smart City Mission of the Government of India for implementation of smart city projects in Pune. The core objectives of Pune Smart Cities Mission is to provide core infrastructure, decent quality of life to citizens of Pune with clean and sustainable environment and application of Smart solutions.

The Company was incorporated on March 23, 2016. The first IND AS financials statement of the company are presented for the period March 23, 2016 to March 31, 2017 as per the requirements of the Act.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.02 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities,

disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax liabilities and provisions and contingent liabilities.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.06.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

2.03 Revenue Recognition

1. Revenue is recognised on accrual basis of accounting.

2. Interest income from a financial asset is recognised 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.

2.04 Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in the which the company recognises as expenses the related costs for which grants are intended to compensate. Specifically, government grants whose primary conditions is that the Company should purchase, construct or otherwise acquire non - current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.05 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 recognised 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.

2.06 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 recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

2.07 Property, plant and equipment

Property, plant and equipment held for use or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use.

Capital work-in-progress for use or for administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is recognized (other than on capital work-in-progress) on a straight line basis over the estimated useful lives of assets. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, anticipated technological changes etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

2.08 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight line 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.

An intangible asset is derecognized on disposal or

when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition 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.”

2.09 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

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.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other

comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.”

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company’s senior management determines change in the business model as a result of external or internal changes which are significant

to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.10 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.11 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.12 Current/Non-Current Classification

The Company presents assets and liabilities in

the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

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

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

All other assets are classified as non-current.

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

- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within 12 months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period
- Current liabilities include the current portion of long term financial liabilities.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

2.13 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

2.14 Fair Value Measurement

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Determination of Fair Value

1) Financial Assets

The fair value of financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purpose."

2) Financial Liabilities

Financial liabilities are classified, at initial recognition,

as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

Subsequent Measurement

Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognized in statement of profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

Pune Smart City Development Corporation Limited
Notes forming part of the financial statement

Note - 3A : Property Plant and Equipment :

Pune Smart City Development Corporation Limited									
Property, Plant And Equipment Schedule As Per Companies Act, 2013									
Sr.No	Particulars	FIXED ASSET - GROSS BLOCK			DEPRECIATION			Total Accumulated Depreciation as on March 31, 2017	Net Book Value as on March 31, 2017
		Opening gross block	Additions	Deletions	Closing Gross Block as on March 31, 2017	Accumulated Dep. Opening Balance	Depreciation for the Period	Depreciation on Deletions	
A)	Furniture and Fixture	-	21,128	-	21,128	-	1,001	-	20,127
		-	21,128	-	21,128	-	1,001	-	20,127
B)	Office Equipment's	-	1,48,000	-	1,48,000	-	1,926	-	1,46,074
		-	1,48,000	-	1,48,000	-	1,926	-	1,46,074
		-							
	Total	-	1,69,128	-	1,69,128	-	2,927	-	1,66,201

Note-3B: Intangible assets

Pune Smart City Development Corporation Limited									
Intangible Assets Schedule As Per Companies Act, 2013									
Sr.No	Particulars	FIXED ASSET - GROSS BLOCK			DEPRECIATION			Total Accumulated Depreciation as on March 31, 2017	Net Book Value as on March 31, 2017
		Opening gross block	Additions	Deletions	Closing Gross Block as on March 31, 2017	Accumulated Dep. Opening Balance	Depreciation for the Period	Depreciation on Deletions	
A)	Software	-	45,849	-	45,849	-	537	-	45,312
		-	45,849	-	45,849	-	537	-	45,312

Note-3C: Capital Work-In-progress

Particulars		As at March 31, 2017
1	1.5 Kms Pilot Road, Aundh (Refer Note 1 below)	20,32,937
2	Placemaking & Open Spaces (Refer Note 2 below)	96,21,092
	Total	1,16,54,029

Notes:

- For the place making, there are two sites which are under construction. The contract value of the project is ₹ 2.20 crs. In addition, the Company anticipate the cost of operations to be ₹ 1.3 crores (two site of ₹ 0.13 crs each). The Company has already built a revenue model under which the Company anticipate that revenue would be ₹ 0.04 crores per year (₹ 15,000 per month).
- The overall cost of the contract is ₹ 19.74 crs which is expected to be spent as capex. Currently, there is no revenue avenue which has been envisaged for the same.

Pune Smart City Development Corporation Limited
Notes forming part of the financial statements

Note No. 4 - Non-current assets

(Amount in Rupees)

Particular	As at March 31, 2017
A.cost	
Unquoted Investment (all fully paid)	
<u>Investment in Equity Instrument of subsidiary</u>	
Investment in Pune idea Factory Foundation 4,900,000 Equity Shares of Rs. 10 each fully Paid	4,90,00,000
INVESTMENT CARRIED AT COST	4,90,00,000

Note No. 5- Other non-current assets

Particular	As at March 31, 2017
(a) Capital advances	6,85,32,155
(b) Balances with government authorities (other than income taxes)	1,35,46,684
TOTAL	8,20,78,839

Note No. 6- Cash and Bank Balances

Particular	As at March 31, 2017
A) Current Cash and bank balances	
(a) Unrestricted Balances with banks	20,46,258
(b) Cheques, drafts on hand"	1,00,00,00,000
(c) Cash in hand	15,567
(d) Balances with banks in deposit accounts with original maturity of less than 3 months	
Cash and Cash equivalent as per balance sheet	1,00,20,61,825
Bank Overdraft	15,95,73,378
Total Cash cash equivalent as per statment of cash flows	84,24,88,447
B) Other Bank Balances	
(a) Balances with banks in deposit accounts with original maturity more than 3 months	1,000,000,000
(b) In earmaked accounts -Earmarked for On Going projects	1,82,00,70,978
Total Other Bank Balances	2,82,00,70,978

Note No. 7 - Others - Current Financial Assets

Particulars	As at March 31, 2017
a) Interest accrued on deposits	15,00,35,918
b)Advance to related Parties (Refer Note33)	5,58,300
Total	15,05,94,218

Note No. 8 - Current tax and Deferered tax

(a) Income Tax Expense

Particulars	As at March 31, 2017
Current Tax:	2,92,755
Current Income Tax Charge	-
Adjustments in respect of prior years	
Deferred Tax	
In respect of current year origination and reversal of temporary differences	(21,216)
Total Tax Expences recognised in profit and loss account	2,71,539

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

Particulars	As at March 31, 2017
Profit Before tax from Continuing Operations	8,78,767
Income Tax using the Company's domestic Tax rate @ 30.9%	2,71,539
Income Tax recognised In P&L from Continuing Operations (Effective Tax Rate)	2,71,539

(c)Deferred Tax (liability) / asset

Particulars	As at March 31, 2017
<u>Tax effect of items constituting deferred tax liabilities</u> Property, Plant and Equipment	4,783
<u>Tax effect of items constituting deferred tax assets</u> Incorporation Expenses	25,999
Net Deferred Tax Asset	21,216

Note No. 9-Equity share capital

Equity share capital	As at March 31, 2017	
	No. of shares	Amount
Authorised: Equity shares of Rs 10 each with voting rights	50,000	5,00,000
Issued, Subscribed and Fully Paid: Equity shares of Rs 10 each with voting rights	50,000	5,00,000

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

Note No. 9A - Equity Share Capital (Contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	No. of shares	Amount
Opening balance	-	-
Changes in equity share capital during the period	50,000	5,00,000
Balance at March 31, 2017	50,000	5,00,000

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2017	
	Number of shares held	% holding in that class of shares
Equity shares with voting rights		
State Government of Maharashtra	25,000	50%
Pune Municipal Corporation	25,000	50%
Percentage		100%

Note No. 9.1 - Other Equity

Particulars	As at March 31, 2017
Retained Earnings	
Opening Balance	-
Transfer to retained earnings	6,07,228
	6,07,228
Contribution received from Shareholders towards equity	
Opening Balance	-
Add : Received during the year	1,85,95,00,000
	1,85,95,00,000
Balance at the end of the reporting period - March 31, 2017	1,86,01,07,228

Note - 10: Other Liabilities
A. Non -current

Particulars	As at March 31, 2017
a. Project related grant received from Government of India (Gol) (Refer Table Below)	1,86,00,00,000
b. Revenue related grant received from Government of India (Gol) (Refer Table Below)	2,18,00,000
c. Deferred Income : Interest on Earmarked Project Funds	10,90,67,924
d. Contribution received from Pune Municipal Corporation (PMC) towards Equity	7,02,50,000
Total Other Liabilities	2,06,11,17,924

Particular	93 % towards Projects Rs	5% towards A & OE Rs	2% MoUD Share Rs
a. Grant Received	1,86,00,00,000	8,00,00,000	-
b. Paid by MoUD for preparation of SCP (Refer Note 1 below)	-	2,00,00,000	-
c. Retained by MoUD towards their expenditure share (Refer Note 2 below)	-	-	4,00,00,000
Total	1,86,00,00,000	10,00,00,000	4,00,00,000
c. Retained by MoUD towards their expenditure share and applied (Refer Note 2 below)	-	-	4,00,00,000
e. Paid by MoUD for preparation of SCP (Pre-incorporation) and applied (Refer Note 1 below)	-	2,00,00,000	-
f. Appropriation towards income in proportion to revenue expenditure	-	5,82,00,000	-
Total Deductions	-	7,82,00,000	4,00,00,000
Closing Balance	1,86,00,00,000	2,18,00,000	-

Notes:

1. In case of Grant received from Government of India, Rs 2,00,00,000/- was paid to Pune Municipal Corporation (PMC) before incorporation of the Company for preparation of Smart City Proposal (SCP). PMC had incurred expenses on SCP to the tune of Rs 28,653,625/. Excess amount incurred by PMC is not payable by the Company to PMC. Hence entire expenses incurred by PMC has been charged to Statement of Profit & Loss and the excess amount of Rs. 86,53,625/- paid by PMC has been recognized as income in the books of account."

2. In case of grant received from Government of India amounting to Rs. 40,000,000/-, the Company has accounted entire amount of Rs. 40,000,000/- as expenses and immediately recognized income to that extent in line with Smart City Mission Guidelines. The funds are neither received nor incurred by the Company."

B. Current

Particulars	As at March 31, 2017
Statutory dues - taxes payable (other than income taxes)	28,24,344
Total Other Current Liabilities	28,24,344

Note No. 11 - Trade Payables

Particulars	As at March 31, 2017
Trade payable for goods & services dues to Micro, Small and Medium Enterprises (Refer Note 24)	
Trade payable for goods & services dues to creditors other than Micro, Small and Medium Enterprises	5,08,59,387
Total trade payables	5,08,59,387

Note No. 12 -Other current financial Liabilities

Particulars	As at March 31, 2017
(a) Earnest Money Deposits (EMD) Collected	14,32,237
(b) HDFC Bank Overdraft	15,95,73,378
Total Other financial Liabilities	16,10,05,615

Pune Smart City Development Corporation Limited
Notes forming part of the financial statements

Note No. 13 - Other Income (Amount in Rupees)

Particulars	For the Period from March 23, 2016 to March 31, 2017
(a) Interest Income	16,82,92,986
Less : Transferred to Deferred Income - Interest on Earmarked Project Funds	10,90,67,924
	5,92,25,062
(b) Revenue Grant Transfer to Income	
Share of 2% MoUD Grant transferred to Income (respective debit to expenses)	4,00,00,000
Share of MoUD for preparation of SCP (pre-incorporation) expenditure incurred by PMC	2,86,53,625
Appropriation towards Income (Please refer Note No. 10)	5,82,00,000
Total Other Income	18,60,78,687

Note No. 14 - Employee Benefits Expense

Particulars	For the Period from March 23, 2016 to March 31, 2017
Salaries and wages, including bonus (Refer Note 46)	8,25,216
Total Employee Benefit Expense	8,25,216

Note No. 15 - Finance Cost

Particulars	For the Period from March 23, 2016 to March 31, 2017
(a) Bank charges	1,438
(b) Interest Expenses	5,54,681
Total finance costs	5,56,119

Note No. 16 - Other Expenses

Particulars	For the Period from March 23, 2016 to March 31, 2017
(a) Rates and taxes	4,97,115
(b) Auditors remuneration and out-of-pocket expenses	
(1) As Auditors	2,00,000
(2) For Taxation matters	-
(3) Other services	-
(c) Paid by MoUD for preparation of SCP to PMC (Pre-incorporation)	2,00,00,000
(d) Retained by MoUD towards their expenditure share and applied	4,00,00,000
(e) Project Launching Expenses	1,94,02,414
(f) Pre-incorporation expenses paid by PMC for preparation of SCP in excess of MoUD Transfer	86,53,625
(g) Incorporation expenses paid by PMC	1,05,173
(h) Other expenses	
(1) Legal and other professional costs	9,40,81,563
(2) Travelling and Conveyance Expenses	94,963
(3) Printing and stationery	5,21,044
(4) Miscellaneous Expenses	2,59,224
Total Other Expenses	18,38,15,121

Pune Smart City Development Corporation Limited

Notes forming part of the financial statements

NOTE - 17

Financial Instruments and Risk Review

Pune Smart City Development Corporation Limited is exposed primarily to liquidity risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential

adverse effects on the financial performance of the Company.

i) Capital Management

"For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The Company uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements."

Particulars	As at March 31, 2017
Other non - current liabilities (Debt) - (A)	2,06,11,17,924
Equity - (B)	1,86,06,07,228
Debt Ratio (A/B)	111%

ii) Liquidity Risk

a) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	As at March 31, 2017
	Less than 1 Year
Financial liabilities	
(I) Trade and other payables	5,08,59,387
(ii) Other financial liabilities	16,10,05,615

Pune Smart City Development Corporation Limited
Notes forming part of the financial statements

NOTE - 18

Disclosure of related party transactions

I. List of Related Parties

Name of Related Party	Nature of Relationship
Pune Idea Factory Foundation	Wholly owned Subsidiary
Mr. Devendra Agarwal	Key Managerial Personneel
Ms. Geetu Sachdeva	Key Managerial Personneel

II. Transactions with related parties during the period

Particulars	As at March 31, 2017
Incorporation fees paid for Pune Idea Factory Foundation	5,58,300
Subscription to Equity Shares Pune Idea Factory Foundation	4,90,00,000
Remuneration to Key Managerial Personnel Mr. Devendra Agarwal, CFO w.e.f 13.02.2017	3,94,253
Ms Geetu Sachdeva, CS w.e.f. 13.02.2017	3,48,148

III. Outstanding Balances:

Particulars	As at March 31, 2017
Receivable Pune Idea Factory Foundation	4,95,58,300
Payable Mr. Devendra Agarwal	1,46,210
Ms. Geetu Sachdeva	1,79,800

NOTE - 19

Earning per share (EPS)

Particulars	As at March 31, 2017
Net profit available for equity share holder	6,07,227
Weighted average number of equity shares for Basic EPS	50,000
Face value per share	10
Basic EPS	12.14
Weighted average number of equity shares for Diluted EPS	50,000
Diluted EPS	12.14

NOTE - 20

Contingent Liabilities and Commitments

There are no contingent liabilities as at March 31, 2017

Commitments

Particulars	As at March 31, 2017
Amount of Capital Contracts remaining to be executed and not provided for	1,72,82,21,061

NOTE - 21**Details of Specified Bank Notes (SBN)**

Pursuant to the notification no. S.O. 3407(E) issued on 8th November 2016, by Govt. of India to ban SBN of 500 and 1000, below is the summary of transactions undertaken by the Company during the period of 8th November 2016 to 30th December 2016:

Particulars	SBN's	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	3,989	3,989
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	611	611
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016		3,378	3,378

NOTE - 22**Government Grant as required under Ind AS 20**

During the year, Company has received grant from Government of India as per below table:

Particulars	93 % towards Projects Rs	5% towards A & OE Rs notes	2% MoUD Share Rs
a. Grant Received	1,86,00,00,000	8,00,00,000	-
b. Paid by MoUD for preparation of SCP (Refer Note 1 below)	-	2,00,00,000	-
c. Retained by MoUD towards their expenditure share (Refer Note 2 below)	-	-	4,00,00,000
Total	1,86,00,00,000	10,00,00,000	4,00,00,000
d. Retained by MoUD towards their expenditure share and applied (Refer Note 2 below)	-	-	4,00,00,000
e. Paid by MoUD for preparation of SCP (Pre-incorporation) and applied (Refer Note 1 below)	-	2,00,00,000	-
f. Appropriation towards income in proportion to revenue expenditure	-	-	-
Total Deductions	-	2,00,00,000	4,00,00,000
Closing Balance	1,860,000,000	80,000,000	-

Notes:

1. In case of Grant received from Government of India, Rs 20,000,000/- was paid to Pune Municipal Corporation (PMC) before incorporation of the Company for preparation of Smart City Proposal (SCP). PMC had incurred expenses on SCP to the tune of Rs. 28,653,625/. Excess amount incurred by PMC is not payable by the Company to PMC. Hence entire expenses incurred by PMC has been charged to Statement of Profit & Loss and the excess amount of Rs. 8,653,625/- paid by PMC has been recognized as income in the books of account.

2. In case of grant received from Government of India amounting to Rs. 40,000,000/-, the Company has accounted entire amount of Rs. 40,000,000/- as expenses and immediately recognized income to that extent in line with Smart City Mission Guidelines. The funds are neither received nor incurred by the Company.

3. Government grants have been received for the purpose of implementation of Smart City projects in Pune.

NOTE - 23

Segment Reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment focuses on the types of public welfare projects undertaken by the Company. The Company undertakes various projects for the public welfare as per the Smart City Mission Statement and Guidelines, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable segment. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

NOTE - 24

There are no Micro and Small Scale Business

enterprises as defined in the Micro, Small and Medium enterprises Act 2006 to whom the company owes dues on account of principle amount together with interest. The above information regarding Micro Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

NOTE - 25

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has voluntarily early adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 for the period ended March 31, 2017. These financial statements, for the period March 23, 2016 to March 31, 2017 are the Company's first financial statements prepared in accordance with Ind-AS.

NOTE - 26

This being the first reporting period of the Company and hence, there are no comparative figures.

NOTE - 27

In case of Capital Work in Progress of Rs.1,16,54,029, Company has anticipated that it shall have sufficient revenues from the same projects and effective control shall remain with the Company. In this regards, since the project is being executed on the assets owned by Pune Municipal Corporation, Company has begun the process of having a memorandum of understanding with Pune Municipal Corporation about rights and revenue of the Company. In case of no such comfort in future, Company shall charge the same costs to Profit & Loss Account.

NOTE - 28

Company has appointed a General Consultant for Strategic & Project Management for appraisal and implementation of project envisaged at a total cost

of Rs. 38.60 Cr being paid on lumpsum basis per month over 30 months without linkage to progress achieved. During the year, Company has provided Rs. 9,26,40,000 to such consultants and same have been charged to profit & loss account.

In terms of our report attached

For and on behalf of the Board of Directors of

For Patil Randive & Associates LLP
Chartered Accountants
FRN 107816W/W100222

Pune Smart City Development Corporation Limited

Sd/-
J J Randive
Partner
M No 32953

Sd/-	Sd/-
Kunal Kumar	Rajendra Jagtap
Director	Chief Executive Officer & Executive Director
DIN 07410973	DIN 07870524

Sd/-	Sd/-
Devendra Agarwal	Geetu Sachdeva
Chief Finance Officer	Company Secretary

Date : 04-12-2017
Place : Pune

Date : 04-12-2017
Place : Pune

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PUNE SMART CITY DEVELOPMENT CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PUNE SMART CITY DEVELOPMENT CORPORATION LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities

are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the following matters in the Notes to the financial statements:

1) MoUD has deducted Rs. 4.00 crores at source towards MoUD Share of expenses. No supporting is available for same and hence expenses (& corresponding Income) are booked as mentioned in Clause No. 11.4 as mentioned in Mission Statements & Guidelines.

Our opinion is not modified in respect of these matters.

OTHER MATTERS

We did not audit the financial statements of Pune Idea Factory Foundation, its subsidiary whose financial statements reflect total assets of Rs. 4,91,43,382 as at 31st March, 2017, total revenues of Rs.5370 and net cash flows amounting to Rs.4,90,00,000 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have not been audited whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the

other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, referred in the 'Other Matter' paragraph above, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, as applicable.

(e) On the basis of the written representations received from the Directors of the Company as on March 31, 2017 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 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 and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A', which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of Company and its subsidiary companies incorporated in India.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group does not have pending litigations which would impact its financial position.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For and on behalf of

M/s Patil Ranadive & Associates LLP

Chartered Accountants

Firm Registration No. 107816W/W100222

Sd/-

Partner

CA J.J. Ranadive

Mem. No: 032953

Place: Pune

Date: 04.12.2017

ANNEXURE - A TO THE AUDITORS' REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Pune Smart City Development Corporation Limited ("the Holding Company") and its subsidiary company which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 ICAI.

For and on behalf of
 M/s Patil Ranadive & Associates LLP
 Chartered Accountants
 Firm Registration No. 107816W/W100222

Sd/-

Partner
 CA J.J. Ranadive
 Mem. No: 032953

Place: Pune
 Date: 04.12.2017

Pune Smart City Development Corporation Limited
Consolidated Balance Sheet as at March 31, 2017

(Amount in Rupees)

		Particulars	Note No	As at March 31,2017
A	1	ASSETS		
		Non-current assets		
		(a) Property, Plant and Equipment"	3	1,66,201
		(b) Capital work-in-progress	3	1,16,54,029
		(c) Other Intangible assets	3	45,312
		(d) Income Tax Assets (net)		2,07,21,880
		(e) Deferred tax assets (net)	7	1,59,228
		(f) Other non-current assets	4	8,20,78,839
		Total Non - Current Assets		11,48,25,489
		Current assets		
2		(a) Financial Assets		
		(i) Cash and cash equivalents	5	1,05,10,61,825
		(ii) Bank balances other than (iii) above	5	2,82,00,70,978
		(iii) Others Financial Assets	6	15,00,41,288
		Total Current Assets		4,02,11,74091
		Total Assets (1+2)		4,13,59,99,580
B	1	EQUITY AND LIABILITIES		
		Equity		
		(a) Equity Share capital	8	5,00,000
		(b) Other Equity	8.1	1,85,96,92,310
		Equity attributable to owners of the Company (I)		1,86,01,92,310
		LIABILITIES		
		Non-current liabilities		
		Other non - current liabilities	9	2,06,11,17,924
		Total Non - Current Liabilities		2,06,11,17,924
		Current liabilities		
		(a) Financial Liabilities	10	5,08,59,387
		(i) Trade and other payables	11	16,10,05,615
		(ii) Other financial liabilities	9	28,24,344
		(b) Other current liabilities		
		Total Current Liabilities		21,46,89,346
		Total Equity and Liabilities (1+2+3)		4,13,59,99,580
			Significant accounting policies See accompanying notes forming part of the financial statements.	2 1 - 27
In terms of our report attached. For Patil Randive & Associates LLP Chartered Accountants FRN 107816W/W100222		For and on behalf of the Board of Directors of Pune Smart City Development Corporation Limited		
sd/- J J Randive Partner M No 32953	sd/- Kunal Kumar Director DIN 07410973	sd/- Rajendra Jagtap Chief Executive Officer & Executive Director DIN 07870524		
	sd/- Devendra Agarwal Chief Finance Officer	sd/- Geetu Sachdeva Company Secretary		
Date : 04-12-2017 Place : Pune		Date : 04-12-2017 Place : Pune		

Pune Smart City Development Corporation Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Note No.	For the Period from March 23, 2016 to March 31, 2017
Continuining Operations		-
I Revenue from operation		
II Other Income	12	186,084,057
III Total Income (I + II)		186,084,057
IV EXPENSES		
(a) Employee benefit expense	13	8,25,216
(b) Finance costs	14	5,56,119
(c) Depreciation and amortization expense	3	3,464
(d) Other expenses	15	18,43,73,421
Total Expenses (IV)		18,57,58,220
V Profit/(loss) before tax (III - IV)		3,25,837
VI Tax Expense		
(1) Current tax	7	2,92,755
(2) Deferred tax	7	-1,59,228
(3) (Excess)/ Short provision for tax of earlier years		-
Total tax expense VI		1,33,527
VII Profit/(loss) after tax (V - VI)		1,92,310
VIII Other comprehensive income		
Items that will not be recycled to profit or loss		
- Re measurements of the defined benefit liabilities / (asset)		
IX Total comprehensive income for the period (VII + VIII)		1,92,310
X Earnings per equity share		
(1) Basic	18	3.85
(2) Diluted	18	3.85
Significant accounting policies See accompanying notes forming part of the financial statements.	2 1 - 27	
<div> <p>In terms of our report attached. For Patil Randive & Associates LLP Chartered Accountants FRN 107816W/W100222</p> <p>sd/- J J Randive Partner M No 32953</p> <p>Date : 04-12-2017 Place : Pune</p> </div> <div> <p>For and on behalf of the Board of Directors of Pune Smart City Development Corporation Limited</p> <p>sd/- Kunal Kumar Director DIN 07410973</p> <p>sd/- Devendra Agarwal Chief Finance Officer</p> </div> <div> <p>sd/- Rajendra Jagtap Chief Executive Officer & Executive Director DIN 07870524</p> <p>sd/- Geetu Sachdeva Company Secretary</p> <p>Date : 04-12-2017 Place : Pune</p> </div>		

PUNE SMART CITY DEVELOPMENT CORPORATION LIMITED
CIN-U93000PN2016SGC158980
P.M.C. MAIN BUILDING SHIVAJINAGAR Pune MH 411005
Consolidated Statement of Cash Flows

(Amount in Rupees)

S No.	Particulars	Amount	Amount
1	<u>Cash flows from operating activities</u>		(Amount in Rupees)
	Net profit before taxation, and extraordinary item	3,25,837	
	Adjustments for Depreciation	3,464	
	Interest Income	(16,82,98,3596)	
	Interest Paid	5,56,119	
	<u>Operating profit before working capital changes</u>	(16,74,12,936)	
	Increase in Trade Payable	5,08,59,387	
	Increase in Other Financial Liabilities	16,10,05,615	
	Increase in Other Current Liabilities	28,24,344	
	Increase in Others Financial Assets	(15,00,41,288)	
	Increase in Income Tax Assets	(2,07,21,880)	
	Increase in Deferred Income - Interest Capitalized	10,90,67,927	
	Increase in Other Non-Current Assets	(1,35,46,684)	
	Cash generated from operations	(2,79,65,518)	
	Income Tax Paid	(2,92,755)	
	Net cash used in operating activities		(2,82,58,272)
2	<u>Cash flows from investing activities</u>		
	Purchase of fixed assets	(214,977)	
	Interest received	16,82,98,356	
	Advance for Project	(6,85,32,155)	
	Investment in Capital Work-in-progress Projects	(1,16,54,028)	
	Net cash used in investing activities		87,897,195
3	<u>Cash flows from financing activities</u>		
	Proceeds from issuance of share capital	5,00,000	
	Interest paid	(5,56,119)	
	Contribution received from Shareholders towards equity	1,92,97,50,000	
	Grant received from Govt	1,88,18,00,000	
	Net cash used in financing activities		3,811,493,881
4	Net increase in cash and cash equivalents		3,871,132,803
5	Cash and cash equivalents at beginning of period		-
6	Cash and cash equivalents at end of period		3,871,132,803

In terms of our report attached.
For Patil Randive & Associates LLP
Chartered Accountants
FRN 107816W/W100222

sd/-
J J Randive
Partner
M No 32953

For and on behalf of the Board of Directors of
Pune Smart City Development Corporation Limited

sd/-
Kunal Kumar
Director
DIN 07410973

sd/-
Devendra Agarwal
Chief Finance Officer

sd/-
Rajendra Jagtap
Chief Executive Officer & Executive Director
DIN 07870524

sd/-
Geetu Sachdeva
Company Secretary

Date : 04-12-2017
Place : Pune

Date : 04-12-2017
Place : Pune

Pune Smart City Development Corporation Limited
Consolidated Statement of changes in equity

A. Changes in Equity

(Amount in Rupees)

Particulars	As at March 31, 2017
Balance at the beginning of the period	-
Shares issued during the period	5,00,000
Balance at the end of the period	5,00,000

B. Changes in other Equity

(Amount in Rupees)

Particulars	Contribution received from Shareholders towards equity	Retained earnings	Total
Balance at the beginning of the period	-	-	-
Profit for the period	-	1,92,310	1,92,310
Addition during the period	1,85,95,00,000	-	1,85,95,00,000
Balance as at March 31, 2017	1,85,95,00,000	1,92,310	1,85,96,92,310

Pune Smart City Development Corporation Limited
Notes forming part of the financial statements

1. CORPORATE INFORMATION

Pune Smart City Development Corporation Limited ('PSCDCL' or 'the company') is a public company domiciled and incorporated in India under the Companies Act, 2013 ('the Act'). The registered office of the company is situated at Pune Municipal Corporation (PMC) office Main Building at Shivaji Nagar Pune. PSCDCL is Special Purpose Vehicle (SPV) formed under Smart City Mission of the Government of India for implementation of smart city projects in Pune. The core objectives of Pune Smart Cities Mission is to provide core infrastructure, decent quality of life to citizens of Pune with clean and sustainable environment and application of Smart solutions. The Company was incorporated on

March 23, 2016. The first IND AS financials statement of the company are presented for the period March 23, 2016 to March 31, 2017 as per the requirements of the Act.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation and presentation

These Consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.02 Use of estimate

The preparation of these Consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax liabilities and provisions and contingent liabilities."

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.06.

Provisions and contingent liabilities

Provisions are recognized when the Company

has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

2.03 Revenue recognition

1. Revenue is recognised on accrual basis of accounting.

2. Interest income from a financial asset is recognised 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.

2.04 Government grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in the which the company recognises as expenses the related costs for which grants are intended to compensate. Specifically, government grants whose primary conditions is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.05 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 recognised 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.

2.06 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

recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

2.07 Property, plant and equipment

Property, plant and equipment held for use or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use.

Capital work-in-progress for use or for administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is recognized (other than on capital work-in-progress) on a straight line basis over the estimated useful lives of assets. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, anticipated technological changes etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to

the total cost of the assets and the useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

2.08 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight line 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.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition 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.

2.09 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial

liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

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.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.10 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.11 Cash flow statement

The Consolidated Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.12 Current/Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

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

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

All other assets are classified as non-current.

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

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading
 - It is due to be settled within 12 months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period
- Current liabilities include the current portion of long term financial liabilities. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

2.13 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

2.14 Fair Value Measurement

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Determination of Fair Value

1) Financial Assets

The fair value of financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purpose."

2) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Fair value through Profit & Loss Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognized in statement of profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

Pune Smart City Development Corporation Limited
Notes forming part of the financial statement

Note - 3A : Property Plant and Equipment :

Pune Smart City Development Corporation Limited									
Property, Plant And Equipment Schedule As Per Companies Act, 2013									
Sr.No	Particulars	FIXED ASSET - GROSS BLOCK			DEPRECIATION			Total Accumulated Depreciation as on March 31, 2017"	Net Book Value as on March 31, 2017
		Opening gross block	Additions	Deletions	Closing Gross Block as on March 31, 2017	Accumulated Dep. Opening Balance	Depreciation for the Period	Depreciation on Deletions	
A)	Furniture and Fixture	-	21,128	-	21,128	-	1,001	-	20,127
		-	21,128	-	21,128	-	1,001	-	20,127
B)	Office Equipment's	-	1,48,000	-	1,48,000	-	1,926	-	1,46,074
		-	1,48,000	-	1,48,000	-	1,926	-	1,46,074
	Total	-	1,69,128	-	1,69,128	-	2,927	-	1,66,201

Note-3B: Intangible assets

Pune Smart City Development Corporation Limited									
Intangible Assets Schedule As Per Companies Act, 2013									
Sr.No	Particulars	FIXED ASSET - GROSS BLOCK			DEPRECIATION			Total Accumulated Depreciation as on March 31, 2017"	Net Book Value as on March 31, 2017
		Opening gross block	Additions	Deletions	Closing Gross Block as on March 31, 2017	Accumulated Dep. Opening Balance	Depreciation for the Period	Depreciation on Deletions	
A)	Software	-	45,849	-	45,849	-	537	-	45,312
		-	45,849	-	45,849	-	537	-	45,312

Note-3C: Capital Work-In-progress

Particulars		As at March 31, 2017
1	1.5 Kms Pilot Road, Aundh (Refer Note 1 below)	20,32,937
2	Placemaking & Open Spaces (Refer Note 2 below)	96,21,092
	Total	1,16,54,029

Notes:

- The overall cost of the contract is 19.74 crs which is expected to be spent as capex. Currently, there is no revenue avenue which has been envisaged for the same.
- For the place making, there are two sites which are under construction. The contract value of the project is 2.20 crs. In addition, the Company anticipate the cost of operations to be 1.3 crores (two site of 0.13 crs each). The Company has already built a revenue model under which the Company anticipate that revenue would be 0.04 crores per year (15,000 per month).

Pune Smart City Development Corporation Limited
Notes forming part of the financial statements

(Amount in Rupees)

Note No. 4- Other non current assets

Particular	As at March 31, 2017
(a) Capital advances	6,85,32,155
(b) Balances with government authorities (other than income taxes)	1,35,46,684
TOTAL	8,20,78,839

Note No. 5- Cash and Bank Balances

Particular	As at March 31, 2017
A) Current Cash and bank balances	
(a) Unrestricted Balances with banks	5,10,46,258
(b) Cheques, drafts on hand"	1,00,00,00,000
(c) Cash in hand	15,567
(d) Balances with banks in deposit accounts with original maturity of less than 3 months	
Cash and Cash equivalent as per balance sheet	1,05,10,61,825
Bank Overdraft	15,95,73,378
Total Cash cash equivalent as per statment of cash flows	84,14,88,447
B) Other Bank Balances	
(a) Balances with banks in deposit accounts with original maturity more than 3 months	1,000,000,000
(b) In earmarked accounts -Earmarked for On Going projects	1,82,00,70,978
Total Other Bank Balances	2,82,00,70,978

Note No. 6 - Others - Current Financial Assets

Particulars	As at March 31, 2017
a) Interest accrued on deposits	15,00,41,288
b)Advance to related Parties (Refer Note33)	
Total	15,00,41,288

Note No. 7 - Current tax and Deferered tax**(a) Income Tax Expense**

Particulars	As at March 31, 2017
Current Tax:	
Current Income Tax Charge	2,92,755
Adjustments in respect of prior years	-
Deferred Tax	
In respect of current year origination and reversal of temporary differences	(1,59,228)
Total Tax Expences recognised in profit and loss account	1,33,527

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

Particulars	As at March 31, 2017
Profit Before tax from Continuing Operations	3,25,837
Income Tax using the Company's domestic Tax rate @ 30.9%	1,00,684
Income Tax recognised In P&L from Continuing Operations (Effective Tax Rate)	1,33,527

(c)Deferred Tax (liability) / asset

Particulars	As at March 31, 2017
Tax effect of items constituting deferred tax liabilities Property, Plant and Equipment	4,783
Tax effect of items constituting deferred tax assets Incorporation Expenses	1,64,011
Net Deferred Tax Asset	1,59,228

Note No. 8-Equity share capital

Equity share capital	As at March 31,2017	
	No.of shares	Amount
Authorised: Equity shares of Rs 10 each with voting rights	50,000	5,00,000
Issued, Subscribed and Fully Paid: Equity shares of Rs 10 each with voting rights	50,000	5,00,000

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

Note No. 8A - Equity Share Capital (Contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	No. of shares	Amount
Opening balance	-	-
Changes in equity share capital during the period	50,000	5,00,000
Balance at March 31, 2017	50,000	5,00,000

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2017	
	Number of shares held	% holding in that class of shares
Equity shares with voting rights		
State Government of Maharashtra	25,000	50%
Pune Municipal Corporation	25,000	50%
Percentage		100%

Note No. 8.1 - Other Equity

Particulars	As at March 31, 2017
Retained Earnings	
Opening Balance	-
Transfer to retained earnings	1,92,310
	1,92,310
Contribution received from Shareholders towards equity	
Opening Balance	-
Add : Received during the year	1,85,95,00,000
	1,85,95,00,000

Note - 9: Other Liabilities**A. Non -current**

Particulars	As at March 31, 2017
a. Project related grant received from Government of India (GoI) (Refer Table Below)	1,86,00,00,000
b. Revenue related grant received from Government of India (GoI) (Refer Table Below)	2,18,00,000
c. Deferred Income : Interest on Earmarked Project Funds	10,90,67,924
d. Contribution received from Pune Municipal Corporation (PMC) towards Equity	7,02,50,000
Total Other Liabilities	2,06,11,17,924

Particular	93 % towards Projects Rs	5% towards A & OE Rs	2% MoUD Share Rs
a. Grant Received	1,86,00,00,000	8,00,00,000	-
b. Paid by MoUD for preparation of SCP (Refer Note 1 below)	-	2,00,00,000	-
c. Retained by MoUD towards their expenditure share (Refer Note 2 below)	-	-	4,00,00,000
Total	1,86,00,00,000	10,00,00,000	4,00,00,000
c. Retained by MoUD towards their expenditure share and applied (Refer Note 2 below)	-	-	4,00,00,000
e. Paid by MoUD for preparation of SCP (Pre-incorporation) and applied (Refer Note 1 below)	-	2,00,00,000	-
f. Appropriation towards income in proportion to revenue expenditure	-	5,82,00,000	-
Total Deductions	-	7,82,00,000	4,00,00,000
Closing Balance	1,860,000,000	2,18,00,000	-

Notes:

1. In case of Grant received from Government of India, Rs 2,00,00,000/- was paid to Pune Municipal Corporation (PMC) before incorporation of the Company for preparation of Smart City Proposal (SCP). PMC had incurred expenses on SCP to the tune of Rs.28,653,625/. Excess amount incurred by PMC is not payable by the Company to PMC. Hence entire expenses incurred by PMC has been charged to Statement of Profit & Loss and the excess amount of Rs. 86,53,625/- paid by PMC has been recognized as income in the books of account."

2. In case of grant received from Government of India amounting to Rs. 40,000,000/-, the Company has accounted entire amount of Rs. 40,000,000/- as expenses and immediately recognized income to that extent in line with Smart City Mission Guidelines. The funds are neither received nor incurred by the Company."

B. Current

Particulars	As at March 31, 2017
Statutory dues - taxes payable (other than income taxes)	28,24,344
Total Other Current Liabilities	28,24,344

Note No. 10 - Trade Payables

Particulars	As at March 31, 2017
Trade payable for goods & services dues to Micro, Small and Medium Enterprises (Refer Note 24)	
Trade payable for goods & services dues to creditors other than Micro, Small and Medium Enterprises	5,08,59,387
Total trade payables	5,08,59,387

Note No. 11 -Other current financial Liabilities

Particulars	As at March 31, 2017
(a) Earnest Money Deposits (EMD) Collected	14,32,237
(b) HDFC Bank Overdraft	15,95,73,378
Total Other financial Liabilities	16,10,05,615

Pune Smart City Development Corporation Limited
Notes forming part of the financial statements

Note No. 12 - Other Income (Amount in Rupees)

Particulars	For the Period from March 23, 2016 to March 31, 2017
(a) Interest Income	16,82,92,986
Less : Transferred to Deferred Income - Interest on Earmarked Project Funds	10,90,67,924
	5,92,30,432
(b) Revenue Grant Transfer to Income	
Share of 2% MoUD Grant transferred to Income (respective debit to expenses)	4,00,00,000
Share of MoUD for preparation of SCP (pre-incorporation) expenditure incurred by PMC	2,86,53,625
Appropriation towards Income (Please refer Note No. 10)	5,82,00,000
Total Other Income	18,60,84,057

Note No. 13- Employee Benefits Expense

Particulars	For the Period from March 23, 2016 to March 31, 2017
Salaries and wages, including bonus (Refer Note 46)	8,25,216
Total Employee Benefit Expense	8,25,216

Note No. 14 - Finance Cost

Particulars	For the Period from March 23, 2016 to March 31, 2017
(a) Bank charges	1,438
(b) Interest Expenses	5,54,681
Total finance costs	5,56,119

Note No. 15 - Other Expenses

Particulars	For the Period from March 23, 2016 to March 31, 2017
(a) Rates and taxes	4,97,115
(b) Auditors remuneration and out-of-pocket expenses	
(1) As Auditors	2,00,000
(2) For Taxation matters	-
(3) Other services	-
(c) Paid by MoUD for preparation of SCP to PMC (Pre-incorporation)	2,00,00,000
(d) Retained by MoUD towards their expenditure share and applied	4,00,00,000
(e) Project Launching Expenses	1,94,02,414
(f) Pre-incorporation expenses paid by PMC for preparation of SCP in excess of MoUD Transfer	86,53,625
(g) Incorporation expenses paid by PMC	6,63,473
(h) Other expenses	
(1) Legal and other professional costs	9,40,81,563
(2) Travelling and Conveyance Expenses	94,963
(3) Printing and stationery	5,21,004
(4) Miscellaneous Expenses	2,59,224
Total Other Expenses	18,43,73,421

Pune Smart City Development Corporation Limited

Notes forming part of the financial statements

NOTE - 16

Financial Instruments and Risk Review

Pune Smart City Development Corporation Limited is exposed primarily to liquidity risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential

adverse effects on the financial performance of the Company.

i) Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The Company uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	As at March 31, 2017
Other non - current liabilities (Debt) - (A)	2,06,11,17,924
Equity - (B)	1,86,06,07,228
Debt Ratio (A/B)	111%

ii) Liquidity Risk

a) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.”

b) Maturities of financial liabilities

The following tables detail the Company’s remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	As at March 31, 2017
	Less than 1 Year
Financial liabilities	
(I) Trade and other payables	5,08,59,387
(ii) Other financial liabilities	16,10,05,615

Pune Smart City Development Corporation Limited
Notes forming part of the financial statements

NOTE - 17

Disclosure of related party transactions

I. List of Related Parties

Name of Related Party	Nature of Relationship
Pune Idea Factory Foundation	Wholly owned Subsidiary
Mr. Devendra Agarwal	Key Managerial Personneel
Ms. Geetu Sachdeva	Key Managerial Personneel

II. Transactions with related parties during the period

Particulars	As at March 31, 2017
Incorporation fees paid for Pune Idea Factory Foundation	5,58,300
Subscription to Equity Shares Pune Idea Factory Foundation	4,90,00,000
Remuneration to Key Managerial Personnel Mr. Devendra Agarwal, CFO w.e.f 13.02.2017	3,94,253
Ms Geetu Sachdeva, CS w.e.f. 13.02.2017	3,48,148

III. Outstanding Balances:

Particulars	As at March 31, 2017
Receivable Pune Idea Factory Foundation	4,95,58,300
Payable Mr. Devendra Agarwal	1,46,210
Ms. Geetu Sachdeva	1,79,800

NOTE - 18

Earning per share (EPS)

Particulars	As at March 31, 2017
Net profit available for equity share holder	1,92,310
Weighted average number of equity shares for Basic EPS	50,000
Face value per share	10
Basic EPS	3.85
Weighted average number of equity shares for Diluted EPS	50,000
Diluted EPS	3.85

NOTE - 19

Contingent Liabilities and Commitments

There are no contingent liabilities as at March 31, 2017

Commitments

Particulars	As at March 31, 2017
Amount of Capital Contracts remaining to be executed and not provided for	1,72,82,21,061

NOTE - 20

Details of Specified Bank Notes (SBN)

Pursuant to the notification no. S.O. 3407(E) issued on 8th November 2016, by Govt. of India to ban SBN of 500 and 1000, below is the summary of transactions undertaken by the Company during the period of 8th November 2016 to 30th December 2016:

Particulars	SBN's	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	3,989	3,989
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	611	611
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016		3,378	3,378

NOTE - 21

Government Grant as required under Ind AS 20

During the year, Company has received grant from Government of India as per below table:

Particulars	93 % towards Projects Rs	5% towards A & OE Rs notes	2% MoUD Share Rs
a. Grant Received	1,86,00,00,000	8,00,00,000	-
b. Paid by MoUD for preparation of SCP (Refer Note 1 below)	-	2,00,00,000	-
c. Retained by MoUD towards their expenditure share (Refer Note 2 below)	-	-	4,00,00,000
Total	1,86,00,00,000	10,00,00,000	4,00,00,000
d. Retained by MoUD towards their expenditure share and applied (Refer Note 2 below)	-	-	4,00,00,000
e. Paid by MoUD for preparation of SCP (Pre-incorporation) and applied (Refer Note 1 below)	-	2,00,00,000	-
f. Appropriation towards income in proportion to revenue expenditure	-	-	-
Total Deductions	-	2,00,00,000	4,00,00,000
Closing Balance	1,86,00,00,000	80,00,00,000	-

1. In case of Grant received from Government of India, Rs 20,000,000/- was paid to Pune Municipal Corporation (PMC) before incorporation of the Company for preparation of Smart City Proposal (SCP). PMC had incurred expenses on SCP to the tune of Rs. 28,653,625/-. Excess amount incurred by PMC is not payable by the Company to PMC. Hence entire expenses incurred by PMC has been charged to Statement of Profit & Loss and the excess amount of Rs. 8,653,625/- paid by PMC has been recognized as income in the books of account.

2. In case of grant received from Government of India amounting to Rs. 40,000,000/-, the Company has accounted entire amount of Rs. 40,000,000/- as expenses and immediately recognized income to that extent in line with Smart City Mission Guidelines. The funds are neither received nor incurred by the Company.

3. Government grants have been received for the purpose of implementation of Smart City projects in Pune.

NOTE - 22

Segment Reporting Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment focuses on the types of public welfare projects undertaken by the Company. The Company undertakes various projects for the public welfare as per the Smart City Mission Statement and Guidelines, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable segment. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

NOTE - 23

There are no Micro and Small Scale Business enterprises as defined in the Micro, Small and Medium enterprises Act 2006 to whom the company owes dues on account of principle amount together with interest. The above information regarding Micro Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

NOTE - 24

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has voluntarily early adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 for the period ended March 31, 2017. These financial statements, for the period March 23, 2016 to March 31, 2017 are the Company's first financial statements prepared in accordance with Ind-AS.

NOTE - 25

This being the first reporting period of the Company and hence, there are no comparative figures.

NOTE - 26

In case of Capital Work in Progress of Rs.1,16,54,029, Company has anticipated that it shall have sufficient revenues from the same projects and effective control shall remain with the Company. In this regards, since the project is being executed on the assets owned by Pune Municipal Corporation, Company has begun the process of having a memorandum of understanding with Pune Municipal Corporation about rights and revenue of the Company. In case of no such comfort in future, Company shall charge the same costs to Profit & Loss Account.

NOTE - 27

Company has appointed a General Consultant for Strategic & Project Management for appraisal and implementation of project envisaged at a total cost of Rs. 38.60 Cr being paid on lumpsum basis per

month over 30 months without linkage to progress achieved. During the year, Company has provided Rs. 9,26,40,000 to such consultants and same have been charged to profit & loss account.

In terms of our report attached

For and on behalf of the Board of Directors of

For Patil Randive & Associates LLP
 Chartered Accountants
 FRN 107816W/W100222

Pune Smart City Development Corporation Limited

Sd/-
 J J Randive
 Partner
 M No 32953

Sd/-	Sd/-
Kunal Kumar	Rajendra Jagtap
Director	Chief Executive Officer & Executive Director
DIN 07410973	DIN 07870524

Sd/-	Sd/-
Devendra Agarwal	Geetu Sachdeva
Chief Finance Officer	Company Secretary

Date : 04-12-2017
 Place : Pune

Date : 04-12-2017
 Place : Pune

PROXY FORM

Form No. MGT-11

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

CIN: U93000PN2016SGC158980

Name of the Company: **PUNE SMART CITY DEVELOPMENT CORPORATION LIMITED**
Registered office: P.M.C. Main Building Shivajinagar, Pune -411005

Registered address :

Name of the member (s) :

E-mail Id:

Folio No/ Client Id :

DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name : Address :

E-mail Id : Signature or failing him

2. Name : Address :

E-mail Id : Signature or failing him

3. Name : Address :

E-mail Id : Signature or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the First Annual General Meeting of the Company, to be held on the 30th day of December, 2017 at 11.30 a.m. at Bajaj Conference Hall, 05th Floor, MCCIA, Senapati Bapat Road, Pune - 411016 and at any adjournment thereof in respect of such resolutions as are indicated below :

Signature of Shareholder

Signature of Proxy Holder(s)

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

No. Name of Resolutions

	Ordinary Business
1	Adoption of Audited Accounts (Standalone & Consolidated)
2	Appointment of Patil Ranadive & Associates LLP, Chartered Accountants as Statutory Auditors
	Special Business
3	Regularization of Mr. Kunal Kumar (DIN: 07410973):
4	Regularization of Mrs. Rashmi Shukla (DIN:07505874):
5	Regularization of Dr. Nitin Nandkishor Kareer (DIN:01624863):
6	Appointment of Mr. Subramanian Padmanabhan (DIN 00001207) as the Independent Director of the Company.
7	Appointment of Mr. Luis Miranda (DIN:01055493) as the Independent Director of the Company.
8	Regularization of Mrs. Mukta Shailesh Tilak (DIN:07782230):
9	Regularization of Mr. Murlidhar Kisanrao Mohol (DIN:07783444):
10	Regularization of Mr. Shrinath Yashwant Bhimale (DIN:03301962):
11	Regularization of Mr. Chetan Vitthal Tupe (DIN:00030317):
12	Regularization of Mr. Sanjay Shashikant Bhosale (DIN:07792834):
13	Regularization of Mr. Ravindra Hemaraj Dhangekar (DIN:07545516):
14	Regularization of Mr. Tukaram Haribhau Mundhe (DIN:07578512):
15	Regularization of Mr. Chandrakant Narayan Dalvi (holding DIN:03069236):
16	Regularization and Ratification of CEO's Appointment and his remuneration:
17	Regularization of Mr. Sajeesh Kumar Nadmmal (DIN:07952551):
18	Increase in authorized share capital of the Company and to further alter Clause No. V of the Memorandum of Association

Signed this..... day of..... 20....

Signature of Shareholder

Signature of Proxy Holder(s)

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

PUNE SMART CITY DEVELOPMENT CORPORATION LIMITED

(CIN: U93000PN2016SGC158980)

Registered office: P.M.C. Main Building Shivajinagar, Pune - 411005

E-mail : info@punesmartcity.in

Website : <https://punesmartcity.in>

FIRST ANNUAL GENERAL MEETING dated 30th December, 2017

ATTENDANCE SLIP

(Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall)

Folio No. / DPID & Client Id No.....	Number of Shares.....
Name of the Member (s) Shareholder	
Address :	
Email Id :	

I/We certify that I/we am/are a member/proxy for the member(s) of the Company.

I hereby record my presence at the 01st Annual General Meeting of the Company to be held for the Company as per the schedule mentioned below:

Date: 30th December, 2017	Day : Saturday	Time : 11.30 AM
Place: Bajaj Conference Hall, 05th Floor, MCCIA, Senapati Bapat Road, Pune - 411016		

Signature of First holder/Proxy

Signature of 1st Joint holder

Signature of 2nd Joint holder

Notes :

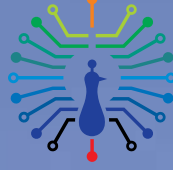
Please sing the this attends slip and it over at the Attendance Verification Counter at the Meeting Venue
Shareholder / Proxy attending the meeting is requested to bring his/her copy of the Annual Report.

ROUTE MAP





पुणे
स्मार्ट सिटी
डेव्हलपमेंट
कॉर्पोरेशन लिमिटेड



PUNE
SMART CITY
DEVELOPMENT
CORPORATION LTD.

PUNE SMART CITY DEVELOPMENT CORPORATION LTD.

(Formerly known as Pune Smart City Development Corporation Ltd.)

CIN: U93000PN2016SGC158980

Reg. Off.: PMC Main Building, Shivajinagar, Pune - 411005

Office: 204, A Wing, ICC Trade Towers, Senapati Bapat Road, Pune - 411016

Email: info@punsmartcity.in **Website:** www.punsmartcity.in

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