

NAME



BHUBANESWAR SMART CITY LIMITED*

BMC BHAWANI MALL, BLOCK - 1, 5TH FLOOR, SAHEED NAGAR,
BHUBANESWAR - 751007, ORISSA

STATEMENT OF ACCOUNTS / DOCUMENTS

FOR THE PERIOD FROM 01.04.2017 TO 31.03.2018

U.K. Mahapatra & Co.

CHARTERED ACCOUNTANTS

237- BAPUJI NAGAR (IIND FLOOR)

BHUBANESWAR - 751 009

PHONES - 2597620, 2597956

INDEPENDENT AUDITORS' REPORT

To
The Members of
M/s BHUBANESWAR SMART CITY LIMITED.

Report on the Standalone Financial Statement

We have audited the accompanying standalone financial statements of **BHUBANESWAR SMART CITY LIMITED.** ('the company') CIN: U74990OR2016PLC020016 having its registered office at BMC Bhawani Mall, Block-1, 5th Floor, Saheed Nagar, Bhubaneswar-751007 for the period from 01.04.2017 to 31.03.2018 which comprises Balance Sheet as at 31st March, 2018, the statement of Profit & Loss for the period on that date, and the cash flow statement for the period ended on that date 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, and financial performance 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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 disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 & fair view in order to design audit procedures that are appropriate in the circumstances..

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 qualified audit opinion on the standalone financial statements.

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

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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements subject to our comments given in **Annexure-D** 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:-

- i. in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2018.
- ii. in case of the Statement of Profit and Loss, of the **Loss** of the Company for the period ended on that date, and
- iii. the cash flow statement for the period ended on that date.

Emphasis of Matter

1. We invite the attention to non confirmation of balances shown under the head Sundry creditors and Loans & Advances of the financial statement.
2. Attention is drawn to point no.05 of Annex-D of Independent Auditors Report, the amount of GST as shown in the books of account of the company is subject to reconciliation with the annual return to be filed for the current year.

However, our opinion is not qualified 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") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of section 143(5) of the act, on the basis of such checks, books and records of the company as we considered appropriate and according to the information and explanations given to us, in the "**Annexure C**" on the General & Sector Specific directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act and **subject to our comments given in Annexure-D**, 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 appears from our examination of those books.
 - c. The Balance Sheet, the statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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- e. On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the Rule-11 of the Companies (Audit & Auditors) Rules, 2014, in our opinion and to the best of our information according to the explanation given to us:
 - i. The Company has disclosed that there is no pending litigations which has adverse impact on its financial position vide Note No -H of the notes to the accounts.
 - ii. The Company does not have any long term contracts including derivatives contract for which there were no material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education Protection Fund by the company.



Place : Bhubaneswar

Date : 12/10/2018

For U.K. MAHAPATRA & CO.
Chartered Accountants
(Regd. No. 320039E)

Manas Kumar Mania
(MANAS KUMAR-MANIA)
Partner
Membership No. 300113

"Annexure - A" to the Independent Auditor's Report
(Referred to in paragraph 3(g) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

Re: M/s BHUBANESWAR SMART CITY LIMITED ('the Company')

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 the Company as of March 31, 2018 in conjunction with our audit of 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

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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, considering nature of business, size of operation and organizational structure of the entity, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Bhubaneswar

Date : 12/10/2018



For U.K. MAHAPATRA & CO.
Chartered Accountants
(Regd. No. 320039E)

Manas Kumar Mania
(MANAS KUMAR MANIA)
Partner
Membership No. 300113

Annexure - B" to the Independent Auditor's Report

(Referred to in paragraph 1 under "Report on other legal and regulatory Requirements" section of our report of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) In respect of its Fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, major portion of fixed assets has been physically verified by the management of the Company during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
- (c) As per the information & explanation given to us, The title deeds for all immovable properties are in the name of company except as stated (Sl.No.01-Annexure-C) of the report.

(ii) In respect of physical verification of inventories:

The company does not have any inventory and therefore, the provision of clause 3(ii) of the Order does not apply to the company.

(iii) In respect of the loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 we report that:-

- a. The company has not granted any loans, secured or unsecured to companies, firms or other parties who are covered in the register maintained under section 189 of the Companies Act, 2013.
- b. The company has not taken any unsecured loan from the directors of the company who covered in the register maintained under Section - 189 of the Companies Act, 2013.

(iv) The Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under sections 185 and 186 of the Act. Therefore, the provisions of clause 3(iv) of the Order does not apply to the company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under sec 73 to sec 76 of the companies Act.

(vi) According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section (1) of Section 148 of the Act of the Companies Act, 2013. Therefore, the provisions of clause 3(vi) of the Order does not apply to the company.

(vii) In Respect of Statutory Dues :

- (a) According to the information and explanations given to us and according to the records examined by us, the Company has been regular in depositing undisputed statutory dues, including, Income Tax, Sales Tax, GST, service tax, Provident Fund and any other statutory dues with appropriate authorities during the year.
- (b) As per the information and explanations given to us no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable.

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(viii) In Respect of Statutory Dues :

- (c) According to the information and explanations given to us and according to the records examined by us, the Company has been regular in depositing undisputed statutory dues, including, Income Tax, Sales Tax, GST, service tax, Provident Fund and any other statutory dues with appropriate authorities during the year.
- (d) As per the information and explanations given to us no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable.
- (ix) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that during the year the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks. The Company has not issued any debentures as at the balance sheet date. Therefore, the provision of clause 3(viii) of the Order does not apply to the company.
- (x) As per the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instrument). The company has not taken any term loans during the year. Therefore, the provision of clause 3(ix) of the Order does not apply to the company.
- (xi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, no material fraud on or by the Company has been noticed or reported during the year.
- (xii) As per the information and explanations given to us, the managerial remuneration as mentioned in the note no. B of Notes to accounts of the financial statement has been paid/provided as per the section 197 read with Schedule V to the Companies Act 2013.
- (xiii) 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.
- (xiv) In our opinion, and as explained to us there were no related party transactions with the related parties as per section 177 and 188 of Companies Act, 2013, hence reporting under this clause has not been made.
- (xv) 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.
- (xvi) 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.
- (xvii) 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.



Place : Bhubaneswar

Date : 12/10/2018

For U.K. MAHAPATRA & CO.
Chartered Accountants
(Regd. No. 320039E)

(Signature)
(MANAS KUMAR MANIA)
Partner
Membership No. 300113

Annexure - c" to the Independent Auditor's Report

(Referred to paragraph 1 under the heading "Report on other legal and regulatory Requirements" of our report of even date to the financial statements for the year ended March 31, 2018)

Directions indicating the areas to be examined by the statutory Auditors during the course of Audit of accounts of **BHUBANESWAR SMART CITY LTD** for the financial year 2017-18 issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013.

According to the information and explanations given to us we report:

Sl. No	Directions	
A	General Direction	Remarks
Particulars		
1.	Whether the company has clear title lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for land which title/lease deeds are not available?	<p>As per the information & explanation given to us, The company has clear title /lease deeds for all land except as stated below-</p> <p>(A) The land on which the construction of the following projects are undergoing, was transferred in favour of H & UD Department, Govt. of Odisha and in turn the said department has given possession to the company to undertake the following projects :-</p> <p>01. Multi level Car parking, Ashok Nagar, Bhubaneswar-Area of Ac.0.974 dec.</p> <p>02. Multi Level Car Parking , Saheed Nagar-Area of Ac.0.734 dec.</p> <p>03. Integrated public centre, saheed nagar- Area of Ac 0.980 dec.</p> <p>(B) The land on which the construction of the following projects are undergoing, was transferred in favour of Labour Department, Govt. of Odisha and in turn the said department has given possession to the company to undertake the the following project :-</p> <p>01. Social Equity centre, Kharvela Nagar- Area of Ac.0.666 dec.</p> <p>(C) The land on which the redevelopment of the following projects are undergoing, was transferred in favour Orissa Mining Corporation and in turn the said Corporation has given possession to the company to undertake the following projects :-</p> <p>01. Re- development of 03 nos Parks , saheed nagar-Ac.1.343 dec</p>
2.	Whether there are any cases of Waiver/write-off of debts / loans / interest etc., if yes, the reasons there for and amount involved.	As per the information & explanation given to us, there are no cases of waiver of debts/loans/interest etc .during the year 2017-18.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gifts/grants(s) from Govt. or other authorities.	<p>As per the information and explanations given to us, there are no inventories lying with the third parties during the audit period.</p> <p>No gift of assets was received from Government or other agencies by the company during this year.</p>
	Specific Direction (Infrastructure)	
1.	Whether the company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached under litigation , not put to use or declared surplus ? Details may be provided	<p>As per the information and explanations given to us, The company has taken adequate measures to prevent encroachment of idle land owned by it.</p> <p>No land of the company is encroached under litigation.</p>



2	Whether the system in vogue for identification of projects to be taken under public private partnership is in line with the guidelines/policies of the Government? Comment on deviation if any.	Yes, The system in vogue for identification of projects to be taken under public private partnership is in line with guide lines /policies of the Government. During the current year one project - Common payment card - under public private partnership with ICICI Bank Ltd was started and the same is under progress.
3	Whether system of monitoring the execution of works vis-à-vis the mile stones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/losses from contracts etc. have been properly accounted for in the books.	Yes, As per the information and explanations given to us, system of monitoring the execution of project work vis-a-visa the mile stones stipulated in the agreement is in existence. The impact of extra cost of the project due to deviation of work was duly approved by the management for the following two projects:- 01. Social equity centre, Kharvela nagar. 02. Smart parks re -development-Saheed nagar.
4	Whether funds received /receivable for specific schemes from central /state agencies were properly accounted for/ utilized ? list the cases of deviations.	As per our separate report in Annexure-D enclosed.
5	Whether the bank guarantees have been revalidated in time ?	The company has received bank guarantees to the tune of Rs. 98,83,59,096/-(09 nos.) in the name of company and Fixed deposits of Rs.1,07,46,287/-(12 nos) from the parties pledged in favour of the company up to end of this year. All BGs are within validity period up to end of this F.Y. 2017-18. As per information given by the management, The company has not given any bank guarantee to any party till the end of this year.
6	Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.	Trade receivables, trade payables, outstanding liabilities are subject to reconciliation and confirmation of balances from the parties. We have verified only the balance confirmation of banks and cash .
7	The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.	As per information and explanation given to us, there is no such abandoned projects , therefore no cost was incurred during this year.



For U.K.MAHAPATRA & CO.
Chartered Accountants
(Regd. No. 320039E)

Place : Bhubaneswar

Date : 12/10/2018

(Signature)
(MANAS KUMAR MANIA)
Partner
Membership No.300113

**"Annexure - D" to the Independent Auditor's Report
(Referred to Paragraph "Opinion")**

In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by The Companies Act, 2013, in the manner so required subject to our following observations:-

1. During the year the company has paid aggregate amount of Rs.15,50,00,000/- to Urban Development Bodies of Government of Odisha towards project expenditure under different Smart City Projects. The company has claimed Rs.15,51,74,830/-(Previous year.Rs.17,49,95,654/-) as expenditure in the profit & loss account without crediting the equivalent amount to Profit & Loss account by way of transfer from Capital Reserve, thereby allowing the said expenditure to be deducted against interest income not incidental to such expenditure. Since the payment made to Urban Bodies are not revenue expenditure, such sum are required to be adjusted against Capital Reserve by transferring the equivalent amount out of Capital Reserve & grant shown in the balance sheet as on 31.03.2018 in pursuance of principle of matching concept of accounting.

As a result of non adherence to principle of matching concept of accounting, the income for the year is understated to the extent of Rs. 15,51,74,830/-(Previous year.Rs.17,49,95,654/-) and the Smart city mission grant fund under Capital Reserve & Grants shown in the balance sheet has been overstated to the extent of Rs. 15,51,74,830/-(Previous year.Rs.17,49,95,654/-) The particulars of amount booked towards project expenditure under Smart City Proposals are as follows:-

Name of Recipient	Amount in Rs.	Purpose
BMC, Bhubaneswar	12,50,00,000/-	Sanitation Expenses under waste - Lets's Recycle project.
Bhubaneswar Dev. Authority	1,74,830/-	GPS mapping under Bhubaneswar one project
Bhubaneswar Dev. Authority	3,00,00,000/-	BUKC project

2. During the year the company has incurred an amount of Rs.14,21,06,020/-(Previous year Rs.6,06,01,782/-) on Office & Administrative expenses including project management Consultancy expenses by debiting the said amount to Profit & Loss account without crediting an amount of Rs.11,93,98,218/- (Previous year Rs.6,06,01,782/-) to Income by way of transfer from Capital Reserve & Grant. As per para 11.4 of the Smart City mission statement & Guidelines issued by Ministry of Urban Development, Government of India, New Delhi, 5% of the total grant is related to establishment expenditure. The company, however, in the previous year 2016-17 had credited an amount of Rs.18,00,00,000/- to Capital Reserve & Grant without transferring the revenue expenditure made out of it in the profit & loss account to the Income.

As the company has debited the amount under Administrative & Office expenses without crediting the Rs.11,93,98,218/- (previous year Rs.6,06,01,782/-) out of capital reserve & grant, the loss for the year is overstated to the extent of Rs. 11,93,98,218/- /- and consequently smart city mission grant fund under Capital Reserve & Grants shown in the balance sheet has been overstated to the extent of Rs. 11,93,98,218/-(Previous year-Rs.6,06,01,782).

3. The company has recognized interest on short term deposits with banks to the extent of Rs.14,87,96,428/-(Previous year Rs.16,96,64,491/-) as income, however no provision is made towards liability on account of income tax. Since the project expenditure for Rs. 15,51,74,830/-(Previous year Rs.17,49,95,654/-)and Administrative & Office expenses for Rs. 11,93,98,218/-(Previous year.6,06,01,782/-)debited to the profit & loss account are not incidental to interest income, the same shall not be allowed to be deducted against interest income under the provision of Income Tax Act, 1961. Therefore, in our opinion, the company is liable to pay Income Tax on its total income under the provision of Income Tax Act, 1961, which to our estimate is about Rs.4.09 Crore (Previous year-Rs.5.73 Crore) (without giving effect of depreciation).

Therefore, the company has not shown current year income tax estimated at Rs.4.09 Crore (Previous year Rs. 5.73 Crore) (before giving effect of depreciation) in the profit & loss account, and understatement of current liabilities and provisions is about Rs.4.09 crore (Previous year Rs.5.73 crore) (before giving effect of depreciation).

4. The company does not have any system for authentication of supporting bills/invoices, vouchers by the competent authority of department like engineering, accounts & finance. Further the Copy of note sheets, quality certificate and other necessary documents are also not attached with the vouchers. In our opinion, The company should initiate appropriate measure for authentication of bills/supporting documents enclosed to the expense voucher.

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5. The amount of GST as shown in the books of account of the company is subject to reconciliation with the annual return to be filed for the current year.
6. The company is yet to appoint any qualified persons like Chartered Accountant, Cost accountant having adequate experience and better corporate exposure in accounts department. In our opinion the company should consider and appoint experienced persons for strengthening the internal control and monitoring of the accounting system, budget, audits and taxation matters of the company.
7. As per Para- 11.4 (iii) of the Smart City mission statement & Guidelines Issued by Ministry of Urban Development, Government of India, The smart city mission has directly deducted Rs.4.00 crore towards 2% A & OE funds for MoUD, Delhi for their expenses for smart city projects. Another 4.00 crore was deducted by the State Govt. of Odisha and other State Govt. Agencies towards matching contribution for their expenses also. However the utilization certificate in respect of the said amount of Rs.8.00 crore is yet to be received.

Place : Bhubaneswar

Date : 12/10/2018



**For U.K.MAHAPATRA & CO.
Chartered Accountants
(Regd. No. 320039E)**

Manas Kumar Mania
**(MANAS KUMAR-MANIA)
Partner
Membership No.300113**

ANNUAL ACCOUNTS FOR 2017-18



Bhubaneswar Smart City Limited

BMC-Bhawani Mall, Block-1, 5th Floor, Saheed Nagar, Bhubaneswar-751007

Bhubaneswar Smart City Ltd.
BMC Bhawani Mall, 2nd Floor, Saheed Nagar, Bhubaneswar
Balance Sheet as at 31ST March, 2018

	Note No.	As at 31-03-2018 Amount (in INR)	As at 31-03-2017 Amount (in INR)
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2.1	2,50,00,00,000	2,50,00,00,000
(b) Reserve & Surplus	2.2	1,43,43,83,332	1,43,20,78,618
(c) Money received against share warrants			
(2) Share application money pending allotment			
(3) Non-current Liabilities			
(a) Long-term borrowings	2.3	-	-
(b) Deferred tax liabilities (Net)	2.3 (a)	-	-
(c) Other long term liabilities			
(d) Long-term provisions	2.3 (b)	-	-
(e) Other Non-Current Liabilities	2.3 (c)	95,26,184	4,85,000
(4) Current liabilities			
(a) Short-term borrowings	2.4	-	-
(b) Sundry Creditors	2.5	59,21,411	23,81,446
(c) Other Current Liabilities	2.6	86,91,458	3,65,464
(d) Short-term provisions	2.7	1,07,032	22,02,451
TOTAL		3,95,86,29,417	3,93,75,12,979
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets	2.8		
(i) Tangible assets		23,21,740	31,35,637
(ii) Intangible assets		7,841	-
(iii) Capital Work-in-progress		17,38,46,370	-
(iv) Intangible assets under development			
(b) Non-Current Investments	2.9	3,60,59,48,822	3,85,54,34,496
(c) Deferred tax assets (Net)			
(d) Long Term Loans & Advances	2.10	-	-
(e) Other Non-current assets	2.11	33,68,700	10,29,600
(2) Current assets			
(a) Current Investment	2.12	-	-
(b) Inventories	2.13	-	-
(c) Trade Receivables	2.14	-	-
(d) Cash & Cash Equivalents	2.15	11,19,83,525	3,93,97,534
(e) Short Term Loans & Advances	2.16	27,06,906	56,16,042
(f) Other current Assets	2.17	5,84,45,512	3,28,99,669
TOTAL		3,95,86,29,417	3,93,75,12,979

SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON ACCOUNTS

1 & 2

Signed in terms of our audit report of even date.
For U.K. JHA PATRA & CO.
Chartered Accountants
Firm Regd. No. 3200395
Firm

(CA MANAS KUMAR MANIA)
Partner
Firm No. 3200113
(M.No.-)

ANSG
CS 11/9/18

For and on behalf of the Board of Directors

11/09/18
CFO



CEO & Director

Managing Director



Bhubaneswar Smart City Ltd.

BMC Bhawani Mall, 2nd Floor, Saheed Nagar, Bhubaneswar

Statement of Profit and Loss for the period from 01st April 2017 to 31st March, 2018

PARTICULARS	NOTE NO.	As at 31-March-2018 Amount (in INR)	As at 31-March-2017 Amount (in INR)
Revenue From Operations	2.18	-	-
Other Income	2.19	17,57,72,011	17,10,76,777
Total Revenue		17,57,72,011	17,10,76,777
Expenses:			
Employee benefits expense	2.20	88,47,847	64,02,168
Finance costs	2.21	669	633
Depreciation and amortization expense	2.22	13,72,643	4,69,652
Other expenses	2.23	29,44,34,819	25,48,11,963
Total expenses		30,46,55,978	26,16,84,416
Profit before exceptional and extraordinary items and tax		(12,88,83,967)	(9,06,07,639)
Exceptional Items		-	-
Profit before extraordinary items and tax		(12,88,83,967)	(9,06,07,639)
Extraordinary items		-	-
(Additional Bad debt written off)		-	-
Profit before tax		(12,88,83,967)	(9,06,07,639)
Tax expense:			
Less: Current tax		-	-
Add/(Less): Deferred Tax (Liabilities)/Assets		-	-
Profit/ (Loss) for the period from continuing operations		(12,88,83,967)	(9,06,07,639)
Profit (Loss) for the period from Discontinuing operations		-	-
Tax Expenses of Discontinuing operations		-	-
Profit/ (Loss) from Discontinuing operations (after tax)		-	-
Profit (Loss) for the period		(12,88,83,967)	(9,06,07,639)
Earnings per share			
Basic		(5.16)	(3.62)
Diluted		(5.16)	(3.62)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 & 2

Signed in terms of our audit report of even date.

For

Chartered Accountants

FRN:

For U.K. MAHAPATRA & CO.

Chartered Accountants

Firm Regd.No.3200395

(CA) PRADEEP KUMAR MANA CS 11/9/18
(M.No. Partner
M.No.300113

For and on behalf of the Board of Directors

11/09/18
CFO

CEO & Director

Managing Director



Bhubaneswar Smart City Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2018

PARTICULARS	FOR THE YEAR ENDED 31.03.2018		FOR THE YEAR ENDED 31.03.2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / Loss before extraordinary items and tax		(12,88,83,967)		(9,06,07,639)
Adjustments for :				
Depreciation and amortisation	13,72,543	-	4,69,652	-
Interest Expenses	-	-	-	-
Loss on Sale of Fixed Assets	-	-	-	-
Assets Written off	-	-	-	-
Additional Bad Debt	-	-	-	-
Foreign Exchange fluctuation Gain/Loss	-	-	-	-
Provisions for Employee Benefits	-	-	-	-
Rent and Service Charges	-	-	-	-
Interest Received on Fixed Deposit	(14,51,66,428)	-	(18,96,04,491)	-
Profit on Sale of Assets	-	(34,67,93,785)	-	(16,91,94,839)
Operating Profit before Working Capital changes		(27,56,77,752)		(25,98,02,478)
Add: Increase in current liabilities/decrease in current assets				
Sundry Creditors Payables	35,39,965	-	23,81,446	-
Other Current Liabilities	83,25,994	-	3,65,464	-
Short-term Provisions	(20,95,419)	-	22,02,451	-
Non Current Liabilities	90,41,184	-	4,85,000	-
		1,88,11,724	-	54,34,361
Less: Decrease in current liabilities/increase in current assets				
Short-term borrowing	-	-	-	-
Other Current liabilities	-	-	-	-
Other Current Assets	(2,11,506)	-	50,41,422	-
Inventories	-	-	-	-
Trade Receivables	-	-	-	-
Short term loan and advances	(29,09,136)	-	56,16,042	-
Non Current Assets	23,39,100	7,81,942	10,29,600	(1,16,87,064)
Operating Cash Flow	-	(25,60,84,086)	-	(26,60,55,181)
Less: Tax paid	-	(2,45,29,493)	-	(2,69,62,590)
Utilisation of Corporate Social Responsibility Fund	-	-	-	-
Utilisation of surplus	-	-	-	-
Net Cash flow from operating activities		(28,07,13,579)		(29,30,17,771)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets, including capital advances	(17,44,12,957)	-	(36,05,289)	-
Investment in Others	-	-	(10,00,000)	-
Proceeds from sale of fixed assets	-	-	-	-
Profit and sale of fixed assets	-	-	-	-
Interest Received on fixed Deposit	31,77,12,527	-	3,70,20,394	-
Investment in Fixed Deposits (Non-Current)	18,00,00,000	-	(3,62,00,00,000)	-
Long Term Loans and Advances	-	-	-	-
Net Cash Used in investing activities		32,32,99,570		(3,58,75,84,695)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of long term borrowings	-	-	-	-
Paid up Equity Capital	-	-	2,50,00,00,000	-
Grant Fund Received	3,00,00,000	-	1,42,00,00,000	-
Finance Costs	-	-	-	-
Net Cash used in Financing activities		3,00,00,000		3,92,00,00,000
Net increase/(decrease) in Cash and Cash equivalents(A+B+C)	-	7,25,85,991	-	3,93,97,534
Cash and cash equivalents at the beginning of the year	-	3,93,97,534	-	-
Cash and cash equivalents at the end of the year		11,19,83,525		3,93,97,534
Components of Cash and cash equivalents				
Cash in hand	-	-	-	-
Cheques / drafts on hand	-	-	-	-
Balance with banks on Current account	11,19,83,525	-	3,93,97,534	-
Remittances in transit	-	-	-	-
Fixed deposits (Short term)	-	-	-	-
Adjustment for Foreign exchange loss	-	-	-	-
Cash & Cash Equivalents as restated		11,19,83,525		3,93,97,534

See accompanying notes forming part of the Financial Statements
 Signed in terms of our audit report of even date.

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For
 Chartered Accountants
 FRN:

For and on behalf of the Board of Directors

For **MAHAPATRA & CO.**
 Chartered Accountants
 Firm Regd.No.320039E

(CA MANAS KUMAR MAHAJAN)



Managing Director



Bhubaneswar Smart City Ltd.

BMC Bhawani Mall, 2nd Floor, Saheed Nagar, Bhubaneswar

NOTES ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2018

Amount (In INR)

NOTE : 2.1 : SHARE CAPITAL :

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
AUTHORISED:		
50000000 Equity Shares of Rs. 100/- each	5,00,00,00,000	5,00,00,00,000
TOTAL	5,00,00,00,000	5,00,00,00,000

ISSUED, SUBSCRIBED AND PAID UP :

25000000 equity shares of Rs. 100/- each	2,50,00,00,000	2,50,00,00,000
TOTAL	2,50,00,00,000	2,50,00,00,000

Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2018 and March 31, 2017 is set out below:

Particulars	As at 31-March-2018	As at 31-March-2017
Equity Shares	NO. OF SHARES	NO. OF SHARES
No. of Shares at the beginning	2,50,00,000	2,50,00,000
No. of Shares at the end	2,50,00,000	2,50,00,000

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital.

Particulars	As at 31-March-2018	As at 31-March-2017
	NIL	NIL

Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

Particulars	As at 31-March-2018	As at 31-March-2017
	NIL	NIL

Details of shareholders holding more than 5% shares in the company:

Name of Shareholders	Equity Shares			
	As at 31-March-2018		As at 31-March-2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding

Equity Shares of Rs. 100/- each fully paid

Housing & Urban Development Department, Govt. of Odisha	1,12,50,000	45.00%	1,12,50,000	45.00%
Bhubaneswar Municipal Corporation (BMC)	1,12,50,000	45.00%	1,12,50,000	45.00%
Bhubaneswar Development Authority (BDA)	25,00,000	10.00%	25,00,000	10.00%
Total	2,50,00,000	100.00%	2,50,00,000	100%



Shares reserved for issue under options and contracts/commitments for the sale of shares/
disinvestment, including the terms and amounts

Particulars	As at 31-March-2018	As at 31-March-2017
No. of shares	NIL	NIL

For the period of five years immediately preceding the date as at which the Balance Sheet is prepared.

Particulars	As at 31-March-2018	As at 31-March-2017
A. Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash	NIL	NIL
B. Aggregate number and class of shares allotted as fully paid-up by way of bonus shares.		
C. Aggregate number and class of shares bought back		

Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in the descending order starting from the farthest such date.

Calls unpaid (showing aggregate value of calls unpaid by directors and officers).

Particulars	As at 31-March-2018	As at 31-March-2017
	NIL	NIL

Forfeited shares (amount originally paid-up)

Particulars	As at 31-March-2018	As at 31-March-2017
	NIL	NIL



NOTES ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2018

Amount (in INR)

Particulars	As at 31-March-2018	As at 31-March-2017
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NOTE: 2.2: RESERVES & SURPLUS:

SURPLUS

As per last Balance Sheet	(9,06,07,638.50)	-
Less-Utilisation During the Year	-	-
Add: Excess Depreciation during earlier years	-	-
Add: Profit/(Loss) for the Year	(12,88,83,966.92)	(9,06,07,638.50)
	(21,94,91,605.42)	(9,06,07,638.50)
Less: Appropriations	-	-
Corporate Social Responsibility	-	-
Dividend in Equity Shares	-	-
Tax on dividend	-	-
Net Profit/Loss transferred from Statement of Profit and Loss	(A) (21,94,91,605.42)	(9,06,07,638.50)

CAPITAL RESERVE & GRANTS

Smart City Mission Grant Fund	1,52,26,86,256	1,42,00,00,000
CAPITAL -GRANT- SEC(OUMM)	3,00,00,000	-
Intrest on Smart City Mission Grant Fund	10,11,88,681	10,26,86,256
	(B) 1,65,38,74,937	1,52,26,86,256.00
Total (A+B)	1,43,43,83,332	1,43,20,76,617.50

NOTE: 2.3: LONG TERM BORROWINGS:

SECURED LOANS:

From Banks

	-	-
(A)	-	-

UNSECURED LOANS:

	-	-
(B)	-	-

TOTAL (A+B)	-	-
--------------------	----------	----------

NOTE: 2.3 (a): DEFERRED TAX LIABILITIES:

Deferred Tax Liabilities(net)

	-	-
TOTAL	-	-

NOTE: 2.3 (b): LONG TERM PROVISIONS:

Gratuity Payable

Leave Encashment Payable

	-	-
	-	-
TOTAL	-	-

NOTE: 2.3 (c): OTHER NON-CURRENT LIABILITIES

EMD Received From Parties

Security Deposits (Contractors)

	71,83,420	4,85,000
	23,42,764	-
TOTAL	95,26,184	4,85,000

NOTE: 2.4: SHORT TERM BORROWINGS:

(A)	-	-
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From Others

(B)	-	-
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TOTAL(A+B)	-	-
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NOTE: 2.5: SUNDRY CREDITORS PAYABLE:

Sundry Creditors	55,62,634	21,32,920
Unfpa-Sundry Creditor	3,58,777	2,48,526
TOTAL	59,21,411	23,81,446

NOTE: 2.6: OTHER CURRENT LIABILITIES:

GPF Loan Recovery	26,500.00	9,368.00
GPF Subscription	75,000.00	80,000.00
NPS Subscription	13,713.00	8,733.00
Professional Tax (Employees)	2,900.00	2,825.00
QTR Rent	11,300.00	1,734.00
Salary Payable	6,06,617.00	-
Retainership Fees Payable	2,15,100.00	-
Group Insurance	120.00	-
Duties And Taxes		
TDS U/s 192A (Salary)	54,383.00	55,000.00
TDS U/s 194C (Contract)	17,49,429.00	5,544.00
TDS U/s 194J (Professional)	50,43,583.00	1,97,296.00
Water Charges	465.00	355.00
TDS Interest Payable		2,109.00
Professional Tax Payable (Company)	2,500.00	2,500.00
CGST RCM Payable	8,640.00	-
SGST RCM Payable	8,640.00	-
CGST Payable	4,800.00	-
SGST Payable	4,800.00	-
Labour Cess	8,53,594.00	-
Royalty	9,374.00	-
TOTAL	86,91,458	3,65,464

NOTE: 2.7: SHORT TERM PROVISIONS:

Provision for Electricity Expenses	-	37,712
Provision for PgMC Consultancy Exp	-	21,27,500
Provision for Statutory Audit Fees	35,400	34,500
Provision for Security Services	71,632	-
Provision for Telephone Expenses	-	2,739
TOTAL	1,07,032	22,02,451

NOTE: 2.9: NON-CURRENT INVESTMENTS:**Fixed Deposit**

Fixed Deposit (HDFC Bank)	92,33,34,795	3,62,16,11,840
Fixed Deposit (OSCB Bank)	2,68,16,14,027	23,28,22,656

Investment in Other

Investment in Bhubaneswar Puri Transport Services Ltd	10,00,000	10,00,000
TOTAL	3,60,59,48,822	3,85,54,34,496

NOTE: 2.10: LONG TERM LOANS AND ADVANCES:

	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

NOTE: 2.11: OTHER NON CURRENT ASSETS:

Security Deposit (with BMC for Office Rent)	33,68,700	10,29,600
TOTAL	33,68,700	10,29,600



NOTE: 2.8: FIXED ASSETS:

Asset	Gross Block				Depreciation			Net Block		Residual Value @ 5% of Acquisition Cost
	Opening Gross Block as on 01.04.2017	Additions during the Year	Deductions during the Year	Closing Gross Block as on 31.03.2018	As at 01.04.2017	Depreciation for the Year	Deduction/ Adjustments	As at 31.03.2018	Net Block as on 31.03.2018	Net Block as on 31.03.2017
Tangible Assets										
Land	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-
Office Equipment	1,08,580	12,990	-	1,21,570	21,291	40,188	-	61,479	60,091	87,289
Computer	12,83,523	3,89,375	-	14,72,898	1,67,343	7,80,834	-	9,48,177	5,24,721	11,16,180
Electrical Installations	3,17,595	14,990	-	3,32,585	23,426	78,744	-	1,07,170	2,30,415	2,94,169
Furniture & Fixture	18,95,591	3,41,282	-	22,36,873	2,57,592	4,72,768	-	7,30,360	15,06,513	16,37,999
Total	36,05,289	5,58,637	-	41,63,926	4,69,652	13,72,534	-	18,42,186	23,21,740	31,35,637
Intangible Assets										
Software	-	7,950	-	7,950	-	109	-	109	7,841	-
Software (Work in Progress)	-	-	-	-	-	-	-	-	-	-
Total	-	7,950	-	7,950	-	109	-	109	7,841	-
Total	36,05,289	5,66,587	-	41,71,876	4,69,652	13,72,643	-	18,42,295	23,29,581	31,35,637
Previous Year	-	36,05,289	-	36,05,289	-	4,69,652	-	4,69,652	31,35,637	-



NOTES ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2018

Amount (in INR)

Particulars	As at 31-March-2018	As at 31-March-2017
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NOTE: 2.12: CURRENT INVESTMENT:

Particulars	As at 31-March-2018	As at 31-March-2017
TOTAL	-	-

NOTE: 2.13: INVENTORIES:

TOTAL	-	-
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NOTE: 2.14: TRADE RECEIVABLE:

Particulars	As at 31-March-2018	As at 31-March-2017
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(A)	-	-
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NOTE: 2.15: CASH AND CASH EQUIVALENTS:

BANK ACCOUNT

HDFC-50100189688908	70,65,750	10,97,538
HDFC-UNFPA-50100188608691	13,44,471	17,98,237
SBI SCF-35706071787	10,000	-
SBI MGF-35706071380	10,35,63,304	3,65,01,759
TOTAL	11,19,83,525	3,93,97,534

NOTE: 2.16: SHORT-TERM LOANS AND ADVANCES:

Particulars	As at 31-March-2018	As at 31-March-2017
Unsecured and considered good		
Advances to Contractors	-	52,44,516
Other Advances	27,06,906	22,972
Prepaid Expenses	-	-
Advance Income Tax	-	-
Other	-	-
Balance with Statutory/ Government Authorities	-	3,48,554
(A)	27,06,906	56,16,042
Unsecured and considered doubtful		
Other Advances	-	-
Less: Provision for doubtful advances	-	-
(B)	-	-
TOTAL (A+B)	27,06,906	56,16,042

NOTE: 2.17: OTHER CURRENT ASSETS:

Accrued Interest on SBI Seewp A/c	20,23,913	8,95,657
Tds Receivable A/c	2,69,62,590	2,69,62,590
TDS Receivables FY 2017-18	2,46,29,493	-
Adv to Relationship Employees	-	37,076
BDA - Bhubaneswar One Mobile APP	48,29,516	50,04,346
	5,84,45,512	3,28,99,669



BMC Bhawani Mall, 2nd Floor, Bahadur Nagar, Bhudaneswar

Amount (In INR)

NOTE: 2.18: REVENUE FROM OPERATIONS:

TOTAL

A BSCCL Misc. Project Grants

SUB-TOTAL (A)	2,69,39,238	12.09.450
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(a) Bank Interest Received (UNFPA)	48,046	13,592
(b) Bank Interest Received - 50100189688908	30,304	8,709
(c) Bank Interest Received-Sweep	29,81,818	30,02,130
(d) FDR-Interest Received-HDFC	6,67,44,352	14,94,67,306
(e) FDR-Interest Received-OSCB	7,83,61,908	1,71,73,754

SUB-TOTAL(B)	14,81,66,428	16,96,64,491
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(a) RTI Information Fees	50	336
(b) BID Processing Fees	6,30,000	2,02,500
(c) Recoveries from Employees	2,000	-
(d) Recoveries for Fuel	17,600	-
(e) Recoveries from Vendors	16,695	-

SUB-TOTAL (C)	6,66,345	2,02,836
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TOTAL(A+B+C)	17,57,72,011	17,10,76,777
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(a) Salaries and Wages		9,79,722
(b) House Rent Allowances	3,72,780	2,06,514
(c) Basic Pay	38,86,077	13,84,114
(d) Consolidated Pay	5,84,554	11,40,435
(e) Conveyance Charges	(92,129)	(57,193)
(f) Dearness Allowances	30,72,377	22,57,803
(g) Garde Pay	4,30,599	3,43,015
(h) BSCL Contribution (NPS)	1,31,620	97,978
(i) BSCL Contribution (QTR Rent)	51,246	49,780
(j) Leave Salary & Pension Contribution	4,10,715	

TOTAL	88,47,847	64,02,168
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Particulars	As at 31-March-2018	As at 31-March-2017
(a) Bank charges	669	633

TOTAL	669	633
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(a) Depreciation and Amortisation	13,72,643	4,69,652
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TOTAL	13,72,643	4,69,652
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Bhubaneswar Smart City Ltd.

BMC Bhawani Mall, 2nd Floor, Sahas Nagar, Bhubaneswar

Statement of Profit and Loss for the period from 01st April 2017 to 31st March, 2018

Amount (In INR)

Particulars	As at 31-March-2018	As at 31-March-2017
NOTE: 2.23: OTHER EXPENSES:		
A Smart city sanitation expenses		
Waste Let's Recycle	12,50,00,000	12,50,00,000.00
TOTAL	12,50,00,000	12,50,00,000.00
B Project cost		
Unfpa Smart City Awareness Expenses		
NGO Expenses	14,82,934	1,46,032.00
Programme Management Support	18,33,619	3,65,098.00
Youth Connect Programme	18,84,208	48,675.00
Advertisement Cost & Other Recurring Expenses	-	16,980.00
Knowledge Management Programme	5,52,233	-
Safety & Security of Women	1,88,900	-
UNFPA/BSCL Contingency	6,347	-
TOTAL	59,48,241	5,76,785
C Operating Expenses:		
PgMC Consultancy Expenses	11,55,63,380	3,93,04,076
Retainerhip Fees	28,80,322	-
TOTAL	11,84,43,702	3,93,04,076
D Administrative and Other Expenses:		
Office Maintenance Expenses	-	1,58,881
Office Misc. Expenses	2,08,201	55,732
Office Rent	20,59,200	10,29,600
Statutory Audit Fees	35,400	34,500
Advertisement Expenses	13,04,204	3,72,933
Cleaning & Sanitation Charges	94,013	1,51,254
Company Welfare Expenses	1,55,509	1,16,929
Video Presentation Charges	-	15,000
Common Area Maintenance Charges	4,75,904	-
TOTAL	43,32,431	19,34,829
E Vehicle Hiring & Maintenance Charges		
Vehicle Hiring & Maintenance Charges	15,43,754	8,53,270
Fuel Charges	7,15,155	2,77,911
TOTAL	22,58,909	11,31,181
F Project Mangement Cost		
Bhubaneswar One Project	1,74,830	2,49,95,654
BUKC Project Expenses	3,00,00,000	2,50,00,000
Monitoring & Supervision Expenses	6,44,786	4,40,031
Survey Expenses	5,21,632	-
Audio Visual Expenses	34,220	-
Training & Capacity Building Expenses	2,15,846	58,398
TOTAL	3,15,91,314	5,04,94,083
G Miscellaneous Expenses		
Computer Peripheral Expenses	20,229	42,140
Service Tax RCM	1,37,302	7,31,282
CGST RCM	57,087	-
SGST RCM	57,087	-
Preparatory & Prelim Expenses	-	2,50,39,910
Preparation of SCP	-	54,87,152
Sitting Fees	3,90,000	3,15,000
Legal & Professional Service	14,09,261	18,97,570
Security Charges	4,20,739	2,70,342
Service Provider Charges	23,56,659	11,14,176
Internet Charges	2,83,619	2,39,061
Electricity Expenses	4,00,256	1,81,462
Power Back-Up Charges	1,29,200	-
Postage & Courier	12,000	10,523
Printing & Stationary	1,68,960	3,04,945
Website Domain charges	6,057	-
Professional Tax -Company	2,500	2,500
Roller Blinds	-	58,315
Roller Pelmet	-	9,790
VAT Paid	-	5,500
	-	6,00,000



Telephone Expenses	28,729	59,232
BSCIL Insurance	5,348	-
Labour Licence Expenses	11,225	-
Repair & Maintenance	2,537	-
Prior Period Expenses	9,33,577	-
Interest on TDS	27,850	2,109
TOTAL	68,60,222	3,63,71,009
GRAND TOTAL	29,44,34,819	25,48,11,963



(13/02/19)

BHUBANESWAR SMART CITY LIMITED

1. CORPORATE INFORMATION:

Bhubaneswar Smart City Limited is incorporated as a Limited Company under the Companies Act, 2013 as per the guidelines of the Smart City Mission of Govt. of India for ensuring the development of Bhubaneswar as a city with proper planning and design having adequate water & electricity supply, IT connectivity, waste management, public transportation, temporary shelter and giving emphasis to social development in the area of culture, education, health, safety and air quality.

2. SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 31ST MARCH '2018.

Basis of accounting and preparation of financial statements

a) Financial year of the Company:

The Financial Year of the Company is determined as the twelve month period commencing from April 1 of each year and ending on March 31 of the following year.

b) Basis of preparation:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Use of Estimates:

The preparation of financial statements in conformity with generally accepted principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.



d) Smart City Mission:

The Bhubaneswar Smart City Limited (BSCL) is a SPV created as per the Government of India Smart City Mission guidelines. The SPV has been created to make Bhubaneswar as a Smart City with a series of planned intervention of projects. Before the creation of SPV, the Bhubaneswar Local Authority had prepared the Smart City planning & cost proposal based on which Bhubaneswar was selected as one of the Smart Cities of the Country.

The Key functions & responsibilities of the SPV include inter alia the followings as per the Notification No. 395 dated 23rd February 2016 of H & UD Department as under:

- i. The company will plan, implement, manage and operate the Smart Development Projects.
- ii. Approve and Sanction of Projects including their technical appraisal.
- iii. Execute the Smart City Proposal with complete Operational Freedom etc.

e) Fixed Assets:

Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any cost attributed to bring the asset to its working condition for its intended use. Fixed assets are accounted on historical cost basis in view of the concept of "Going Concern".

Depreciation shall be computed on the fixed assets from the date on which Fixed Assets is acquired and put to use. Depreciation shall be made on Written down Value method as per Companies Act 2013. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed four years from the date when the asset is available for use. Individual assets acquired for less than Rs, 5,000 are fully depreciated in the year of purchase.

Intangible Assets: As per AS-26 of Accounting Standards –Intangible Assets- The amortisation of intangible assets shall be over its useful life period. The residual value shall be maintained at Zero in the case of non realisations of any amount at the end of the life period.

f) Income taxes:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.



g) Earnings per share:

Basic and Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

h) Employee Benefits:

Company has not made any provision for gratuity liability. As per the information furnished there are no permanent employees who have completed 5 years of service.

i) Provisions :

A provision is recognized when an enterprise has a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

j) Salaries, Wages and Bonus:

(Section 134 of companies Act 2013 read with rule 5(2) and 5(3) of Companies (Appointment and Remuneration of managerial personnel) Rules 2014)

There were no employee whose remuneration was in excess of the limits prescribed under section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

k) Revenue Grants ,Capital Grants and Interest on Capital Grants

Mission Grants received from Government of India for specific purposes of the SPV- "Bhubaneswar Smart City Limited (BSCL)" which acts as a nodal agency to execute the Smart City Project, as per the direction of the Mission Guidelines of the Central Government. The Ownership of the BSCL is with Govt of Odisha, Govt Local Bodies and Authorities as per the SPV Guidelines to have ownership in the company.



Bhubaneswar One Project to BDA as a Deposit Work for development of initiation of the Bhubaneswar One Project to cater the BSCL objectives for smooth running of the Smart City Mission in convergence with other government agencies as per the SPV Guidelines issued by Govt of India for Smart City Mission. The Company has received an UC of Rs. 2,51,70,484 from BDA as on 31/03/2018.

d) Cash and Cash equivalent

Cash and cash equivalent comprises cash in hand and at bank and short term deposits with banks.

e) Related Party Disclosures

Name of related parties and description of relationship as required by AS-18-Related party disclosures, notified under the Act are given below:

Key Managerial Personnel:

Name	Designation
Mr R.Vinzel Krishna	Chief Executive Officer
Mr Arabinda Routray	Chief Finance Officer
Mr.Ajaya Kumar Majhi	Company Secretary

Details of Transaction with Related Parties:

NAME	DESIGNATION	REMUNERATION PAID DURING THE FY 2017-18
Mr R.Vinzel Krishna	Chief Executive Officer	Rs. 13,16,267
Mr.ArabindaRoutray	Chief Finance Officer	Rs. 10,76,419
Mr.Ajaya Kumar Majhi	Company Secretary	Rs. 9,60,000

f) Auditor's remuneration

Expenditures Particulars	As at 31/03/2018	As at 31/03/2017
Audit Fees	Rs 35400.00	Rs 34500.00
Other Services	Rs 0.00	Rs 0.00
Total	Rs 35400.00	Rs 34500.00

g) There is no capital and other material commitments as on 31st March 2018

h) M/s Bhubaneswar Smart City Limited issued RFP dated 28.10.2016 vide RFP No. 518/BSCL/2016 to public through advertisement for supply, installation, testing, commissioning of traffic signalling system, blinkers and pelican signals at selected road junctions and location with solar power adaptive system in Bhubaneswar and subsequent maintenance for 6 years post defect liability period of one year.



M/s. Enkon Pvt. Ltd. by virtue of MOU dated 23.12.2008 with Commissionerate of Police, Bhubaneswar was awarded the job of installation of automatic traffic signal at 12 locations and also to maintain & operate signals for a period of 10 years in Bhubaneswar. M/s. Enkon was permitted by Commissionerate of Police to put up advertisement on signals to meet its expenses on maintenance of the above traffic signal systems.

Subsequent to incorporation, Bhubaneswar Smart city limited allotted the said contract to M/s. Envoys Electronics Pvt. Ltd. dated 05.01.2017 for above maintenance, installation work.

In view of the allotment of above contract to M/s. Envoys Electronics Pvt. Ltd., M/s Enkon has filed an appeal in the Hon'ble High Court of Odisha vide W.P.C No. 19563 of 2016 against the RFP dated 28-10-2016 vide RFP No. 518/BSCL/2016 on dated 28.10.2016. The Hon'ble High Court has disposed of the case on dated 07.02.2017. Further, M/s Enkon filed an appeal in the Hon'ble Supreme Court of India vide Special Leave to Appeal(C) No. 6364/2017 (arising out of impugned final judgement and order dated 07/02/2017) in W.P(c) No. 19563 of 2016 passed by the Hon'ble High Court of Odisha.

The Hon'ble Supreme Court disposed of the case directing M/s Enkon to file an application for review before the Hon'ble High Court, Odisha. As per the direction of Hon'ble Supreme Court of India M/s Enkon filed a review petition vide RVWPT No-53/2017 in the Hon'ble High Court of Odisha, which is under subjudice. The case is disposed off by Supreme Court on dated 27th February 2017.

- (i) Bhubaneswar has been selected to be developed into a smart city under the first phase of the Smart Cities Mission launched by the Ministry of Urban Development, Govt of India. As part of the Pan City proposal for Bhubaneswar it has been structured by BSCL for implementation through three (3) different projects namely; (i) Adaptive Traffic Signal Control System, (ii) Common Payment Card System and (iii) Smart Solutions Project. The Smart Solutions Project includes implementation of components comprising of technological interventions in the field of Traffic Management System, Transit Management System, Parking Management System, Emergency Response and Incidence Management System, Intelligent Command and Control Centre, Information and



Communication Infrastructure for the city including city Wi-Fi, Enterprise Resource Planning (ERP) and e-Governance .

For the purpose of implementation of Smart Solutions Project, a Request for Proposal (RFP) for selection of Master System Integrator (MSI) was issued vide Notice No. BSCL/243/16/620 dated.04.03.2017 through online public procurement. Four bids were received from the following bidders pursuant to the RFP -

- (1) Larsen and Toubro Ltd.
- (2) Honeywell Automation India Ltd.
- (3) Sterlite Technologies Ltd.
- (4) Tech Mahindra Ltd.

Post completion of final evaluation of submitted bid documents, Honeywell Automation India limited found as Successful Bidder. After the Financial evaluation process Larsen and Toubro Ltd. filed a writ petition at High Court of Odisha stating Honeywell Automation India limited has been awarded the contract in wrongful manner. The case has been accepted by Hon'ble court for hearing and date was scheduled at 11th December 2017 for the same. On the date of hearing Larsen & Tourbo Ltd withdrew the case.

i) **Rounding Off:** Figures are rounded off to nearest Rupee.

In terms of our report of even date attached

For U.K Mahapatra & Co
Limited

For and on behalf of the Board of Directors
of Bhubaneswar Smart City

For U.K. MAHAPATRA & CO
Chartered Accountants
Firm Regd. No.320039E

(CA) *[Signature]*
Partner
Membership No:

[Signature]
Managing Director
(Dr. Krishan Kumar)

[Signature]
CEO

(Shri R.Vineel Krishna)

Date:

Place:

[Signature]
Company Secretary

(Shri Ajaya Kumar Majhi)

[Signature]
CFO 18

(Shri Arabinda Routray)

