

**Annual Accounts  
For  
2020-21**



**Bhubaneswar Smart City Limited**

BMC- Bhawani Mall, Block-1, 5<sup>th</sup> Floor, Saheed Nagar, Bhubaneswar-751007, Odisha.

E-mail Id.: [bbsr.bscl@gov.in](mailto:bbsr.bscl@gov.in), CIN: U74990OR2016PLC020016

Website: <http://smartcitybhubaneswar.gov.in>

# BHUBANESWAR SMART CITY LIMITED

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

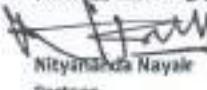
Balance Sheet as at 31st March,2021

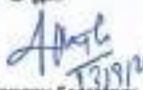
In Rs.

Sl No.	Particulars	Notes No.	As at 31st March, 2021	As at 31st March, 2020
<b>I.</b>	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
—	(a)Property, Plant and Equipment	1	1,29,15,85,105	60,60,54,812
—	(b)Capital Work -In-Progress	2	2,84,56,22,500	2,87,46,51,455
—	(c)Other Intangible Assets	3	25,22,10,484	18,58,24,719
—	(d)Intangible Assets under Development		—	—
—	(e)Financial Assets			
—	(i) Investments	4	—	—
—	(ii)other Financial assets	5(A)	55,63,057	46,15,633
—	(f)Deferred Tax Assets(Net)		—	—
—	(g)Other Non-Current Assets	6(A)	—	—
(2)	<b>Current Assets</b>			
—	(a)Financial Assets			
—	(i)Cash & Cash Equivalents	7	3,13,39,70,064	2,26,61,22,968
—	(ii)Bank Balances other than(i) above		—	—
—	(iii)Loans		—	—
—	(iv)Other Current Financial Assets	5(B)	13,24,12,739	7,20,72,377
—	(b)Current Tax Asset(Net)		—	—
—	(c)Other Current Assets	6(B)	8,77,51,970	11,12,64,084
	<b>TOTAL ASSETS</b>		<b>7,74,91,15,918</b>	<b>6,12,06,06,047</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
—	(a)Equity Share Capital	8	2,50,00,00,000	2,50,00,00,000
—	(b)Other Equity	9	4,63,84,49,550	3,15,74,80,004
	<b>LIABILITIES</b>			
(1)	<b>Non-current Liabilities</b>			
—	(a)Financial Liabilities		—	—
—	(i) Other Financial Liabilities	10(A)	5,15,76,830	2,77,86,323
—	(b) Deferred tax liabilities (Net)		39,59,66,249	21,38,60,404
—	(c)Other Non-Current Liabilities	12(A)	10,69,17,740	11,37,46,765
(2)	<b>Current Liabilities</b>			
—	(a)Financial Liabilities			
—	(i) Trade Payables and Other Payables:	11		
—	(a)Dues of micro and small enterprises			
—	(b)Dues of creditors other than micro and small enterprises		2,97,30,184	9,34,11,342
—	(ii) Other Financial Liabilities	10(B)	42,45,045	20,17,048
—	(b) Other Current Liabilities	12(B)	1,68,54,915	1,02,37,443
—	(c) Provisions	13	53,85,404	20,56,919
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>7,74,91,15,918</b>	<b>6,12,06,06,047</b>
Notes forming part of the financial statements:		(1-18)		

For T.K.Agarwalla & Co.  
Chartered Accountants

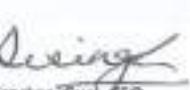
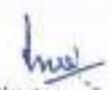
FRN: 030284 03252045

  
Nityananda Nayak  
Partner  
M. No: 302878

  
Arpita  
Company Secretary

  
Chaitanya  
Chief Financial Officer

For and on Behalf the Board of Directors  
Bhubaneswar Smart City Ltd.

  
Director-Cum-CEO  
DIN: 06551288  
  
Director  
DIN: 02984779



# BHUBANESWAR SMART CITY LIMITED

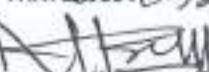
BMC-Bhawani Mall, Block-1,5th Floor,Saheed Nagar,Bhubaneswar-751007  
 Statement of Profit and Loss for the period ended on 31st March, 2021

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>I Revenue from operations</b>	14	1,67,691	-
<b>II Other Income</b>	15	26,03,29,551	19,98,41,054
<b>III Total Income (I+II)</b>		<b>26,04,97,242</b>	<b>19,98,41,054</b>
<b>IV Expenses</b>			
(a)Employee Benefit Expenses	16	1,61,38,502	1,38,99,442
(b)Finance Costs	17	8,82,508	5,66,402
(c)Depreciation and Amortisation Expenses	1 & 3	23,22,19,667	4,31,60,625
(d)Other Expenses	18	11,69,67,424	18,01,25,419
<b>Total Expenses</b>		<b>36,62,08,100</b>	<b>21,77,51,888</b>
<b>V Profit / (loss) before Exceptional Items and tax (III-IV)</b>		<b>(10,57,10,858)</b>	<b>(1,79,10,834)</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/Loss before tax(V-VI)</b>		<b>(10,57,10,858)</b>	<b>(1,79,10,834)</b>
<b>VIII Tax Expense</b>		<b>(10,57,10,858)</b>	<b>(1,79,10,834)</b>
(1)Current Tax		-	-
(2)Deferred Tax		-	-
<b>IX Profit/(loss) after tax (VII-VIII)</b>		<b>18,21,05,845</b>	<b>21,41,89,872</b>
<b>X Other Comprehensive Income</b>		<b>(28,78,16,703)</b>	<b>(23,21,00,706)</b>
(A)(i) Items that will not be reclassified to Profit or Loss		-	-
(I) Related to employee benefit		-	-
(II) Income Tax Relating to items that will not be Reclassified to Profit or Loss		-	-
(B)(i) Items that will be reclassified to Profit or Loss		-	-
(I) Income Tax relating to items that will be Reclassified to Profit or Loss		-	-
<b>XI Total Comprehensive Income for the Period (Comprising Profit/(loss) and Other Comprehensive Income for the Period)</b>		<b>(28,78,16,703)</b>	<b>(23,21,00,706)</b>
<b>XII Earnings Per Equity Share</b>			
(1) Basic		[11.51]	[9.28]
(2)Diluted		[11.51]	[9.28]
Notes forming part of the financial statements	(1-18)		

For T.K.Agarwala & Co.

Chartered Accountants

FRN: 5006840325201E

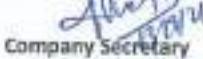
  
 Nityananda Nayak

Partner

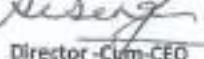
M. No: 302878

For and on Behalf the Board of Directors

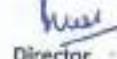
Bhubaneswar Smart City Ltd.

  
 Company Secretary

  
 Chief Financial Officer

  
 Director-Cum-CEO

DIN: 06551288

  
 Director

DIN:02984779



**BHUBANESWAR SMART CITY LIMITED**  
**BMC-Bhawani Mall, Block-1,5th Floor,Saheed Nagar,Bhubaneswar-751007**  
**Cash Flow Statement for the year ended 31st March, 2021**

SL	Particular	As at March 31st,2021	As at March 31st,2020
<b>1</b>	<b>Cash flows from operating activities</b>		
	Net profit before taxation, and extraordinary item	(10,57,10,858)	(1,79,10,834)
	Adjustments for Depreciation	23,22,19,667	4,31,60,625
	Interest Income	(2,29,39,098)	(5,97,28,734)
	Share From Investee Company P&L FVTPL	-	-
	Office Rent (Fair Value Amortised Expenses)	-	1,87,779
	Interest Paid	-	-
	Operating profit before working capital changes	-	-
	Increase/(Decrease) in Trade Payable	(6,36,90,958)	2,30,44,690
	Increase/(Decrease) in Other Financial Liabilities	2,60,18,504	1,64,67,840
	Increase/(Decrease) in Other Current Liabilities	66,17,472	(78,91,715)
	Increase/(Decrease) in Other Non-Current Liabilities	(68,29,024.21)	6,98,02,812
	(Increase)/Decrease in Income Tax Assets	(1,03,56,291)	(1,09,95,902)
	(Increase)/Decrease in other non current Assets	-	-
	(Increase)/Decrease in other current Assets	4,63,30,397	(3,05,48,143)
	(Increase)/Decrease in Other Financial Assets	(10,86,17,908)	(9,52,373)
	Increase/(Decrease) in Short Term Provisions	33,18,485	19,67,249
	Cash generated from operations	(36,39,612)	2,65,98,294
	Income Tax Paid	3,48,68,130	(1,64,88,862)
	<b>Net cash used in operating activities (A)</b>	<b>3,12,28,518</b>	<b>1,01,09,432</b>
<b>2</b>	<b>Cash flows from investing activities</b>		
	Purchase of fixed assets	(98,41,35,725)	(80,07,50,327)
	Interest received	2,29,39,098	5,97,28,734
	Advances for Projects	2,90,28,955	(93,58,26,800)
	Investment in Capital Work-in-progress Projects	-	-
	Equity Shares	-	-
	Fixed Deposit (net )	-	-
	<b>Net cash used in investing activities (B)</b>	<b>(93,21,67,672)</b>	<b>(1,67,68,48,394)</b>
<b>3</b>	<b>Cash flows from financing activities</b>		
	Proceeds from issuance of share capital	-	-
	Interest paid	-	-
	Contribution Received from Shareholders towards Equity	-	-
	Increase/(Decrease) in Other Equity	1,76,87,86,250	1947714034
	Increase in Borrowings - Bank Over Draft	-	-
	<b>Net cash used in financing activities (C)</b>	<b>1,76,87,86,250</b>	<b>1,94,77,14,034</b>
<b>4</b>	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>86,78,47,095</b>	<b>28,09,75,073</b>
<b>5</b>	<b>Cash and cash equivalents at beginning of period</b>	<b>2,26,61,22,968</b>	<b>1,98,51,47,895</b>
<b>6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,13,39,70,064</b>	<b>2,26,61,22,968</b>

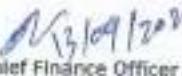
For T.K.Agarwala & Co  
Chartered Accountants

FRN: 030889 0325201 E

  
Nityananda Nayak  
Partner  
M. No: 308898  
Bhubaneswar Smart City Limited  
Chartered Accountants

For and on Behalf the Board of Directors  
Bhubaneswar Smart City Ltd.

  
Company Secretary

  
Chief Finance Officer

  
Director - CurN-CEO  
DIN: 06551288

  
Director  
DIN: 02984779



**NOTE: 1: Property, Plant and Equipment**  
In Rs

Asset	Gross Block		Depreciation			Net Block
	Opening Gross Block as on 01.04.2020	Additions during the Year	Closing Gross Block as on 31.03.2021	As at 01.04.2020	Depreciation for the Year	
<b>Tangible Assets</b>						
Land (Operating Lease)	5	-	5	-	-	5
Building	8,90,35,355	1,39,88,684	10,30,24,039	14,41,625	53,45,758	67,87,383
Plant & Machinery	39,37,59,419	57,82,30,709	97,19,90,128	1,18,59,570	9,77,83,538	9,62,36,646
Office Equipment	80,46,943	38,778	80,85,721	7,04,400	33,27,566	86,73,47,020
Computer	2,58,31,213	23,31,97,397	25,90,28,030	43,54,578	1,77,60,048	40,31,966
Electrical Installations	8,61,05,918	1,59,51,079	10,20,56,997	70,59,269	2,07,35,461	73,42,543
Furniture & Fixture	2,65,02,776	5,02,820	2,70,05,596	59,31,847	53,59,449	2,77,74,730
IT/UL-Office	1,82,80,061	-	1,82,80,061	1,01,55,589	60,93,354	7,42,82,267
<b>Total</b>	<b>64,75,61,690</b>	<b>84,19,05,466</b>	<b>1,48,94,71,156</b>	<b>4,15,06,678</b>	<b>15,53,79,174</b>	<b>50,60,54,812</b>
						<b>7,35,39,555</b>

**NOTE: 2**

Asset	Gross Block		Depreciation			Net Block
	Opening Gross Block as on 01.04.2020	Additions during the Year	Closing Gross Block as on 31.03.2021	As at 01.04.2020	Depreciation for the Year	
<b>Tangible Assets</b>						
Software	19,72,54,493	14,22,26,758	33,94,80,751	1,14,29,774	7,58,40,493	8,72,70,267
Software (Work in Progress)	-	-	33,94,80,751	1,14,29,774	7,58,40,493	-
<b>Total</b>	<b>19,72,54,493</b>	<b>14,22,26,758</b>	<b>33,94,80,751</b>	<b>1,14,29,774</b>	<b>7,58,40,493</b>	<b>8,72,70,267</b>
						<b>13,58,24,719</b>

Asset	Gross Block		Depreciation			Net Block
	Opening Gross Block as on 01.04.2020	Additions during the Year	Closing Gross Block as on 31.03.2021	As at 01.04.2020	Depreciation for the Year	
<b>Intangible Assets</b>						
Total	34,48,16,183	-	1,82,89,51,908	5,23,36,652	23,22,19,667	1,54,37,95,589
Previous Year	4,40,65,856	33,07,50,327	84,48,16,183	97,76,028	4,31,60,625	79,18,79,531
						<b>3,42,89,828</b>
						<b>3,14,64,083</b>



NOTE: 2

**CAPITAL WORK -IN-PROGRESS**

	Particulars	Opening As at 01.04.2020	Addition during the Year	Adjustments	Closing As at 31.03.2021
BMC ICOMC	13,27,13,762	42,60,13,701	-	-	55,87,27,463
LAKE NEUTRAL	1,84,081	-	-	-	1,84,081
MASTER SYSTEM INTEGRATION	1,64,43,22,552	16,66,67,355	96,18,23,138	-	84,91,66,768
BUS QUE SHELTERS (CWIP)	29,32,18,816	-	-	-	29,32,18,816
MLCP-SAHEED NAGAR	17,59,31,677,36	3,30,70,286,00	-	-	20,90,01,963
MLCP-UNIT-II	17,89,33,270	8,45,71,117	-	-	26,35,04,387
SMART JAMPATH	44,07,62,469	19,17,40,723	-	-	63,25,03,192
IPSC, BAPUJI NAGAR (CWIP)	82,76,578	2,31,60,549	-	-	3,14,37,127
SENSORY PARK (CWIP)	3,08,251	75,70,451	-	-	78,78,702
<b>TOTAL</b>	<b>2,87,46,51,455</b>	<b>93,27,94,183</b>	<b>96,18,23,138</b>	<b>2,84,56,22,500</b>	

Notes:

(i) Out of Total CWIP Rs. 96,18,23,138/- have been recognised as Assets during current financial year.



**BHUBANESWAR SMART CITY LIMITED**  
 Notes forming part of the financial statements

**INVESTMENT**

**Investment- Non Current**

Particular	As at 31st March ,2021	As at March 31st,2020
(i)Investment in BPTSL	-	-
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**OTHER FINANCIAL ASSETS**

**Other Financial Assets- Non Current**

Particular	As at 31st March ,2021	As at March 31st,2020
(i)Security Deposits (Office Building)at amortised cost	33,68,700	31,62,802
(ii) Security Deposits (Others)	21,94,357	14,52,831
<b>TOTAL</b>	<b>55,63,057</b>	<b>46,15,633</b>

**Other Financial Assets- Current**

Particular	As at 31st March ,2021	As at March 31st,2020
<b>(i)Loans and Advances</b>		
(a) Advance Receivables considered good - Secured;	1,99,12,739	6,72,42,861
(b) Advance Receivables considered good - Unsecured;	-	-
(i)Advance for Bhubaneswar One Mobile-App- BDA	-	48,29,516
(ii)Advance for Museum of Urban Hostory- BDA	11,25,00,000	-
(c) Advance Receivables which have significant increase in Credit Risk;	-	-
(d) Advance Receivables - credit impaired	-	-
<b>(ii)Interest Accrued on Fixed Deposits</b>		
<b>TOTAL</b>	<b>13,24,12,739</b>	<b>7,20,72,377</b>



**OTHER ASSETS****Other Assets - Non Current**

Particular	As at 31st March ,2021	As at March 31st,2020
(i)Prepaid Office Rental Expenses	-	-
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**Other Assets- Current**

Particular	As at 31st March ,2021	As at March 31st,2020
<b>Advances other than capital advances:</b>		
(i)Advance for expenses	-	
(iii)Advance Income Tax including TDS/TCS Receivable	5,18,74,478	8,67,42,609
(iii)Prepaid Office Rental Expenses	-	1,87,778
(iv) Duties & Taxes Receivable (Input GST)	2,13,52,193	1,09,95,902
(v) FDR Interest Accrued	1,45,25,298	1,33,37,795.09
(vi) Advance to CRUT for PBS	-	-
<b>TOTAL</b>	<b>8,77,51,970</b>	<b>11,12,64,084</b>

Note: The CWIP which was in the last financial year relating to PBS of Rs.5 Crores has been recasted and treated as revenue expenditure in the current year.

**Cash & Cash Equivalents**

Particular	As at 31st March ,2021	As at March 31st,2020
<b>A) Current Cash and bank balances</b>		
(a) Unrestricted Balances with banks	2,31,13,89,613	18,66,69,838
(b) Cheques, drafts on hand -		
(c) Cash in hand -		
(d) Balances with banks in deposit accounts with original maturity of less than 3 months	82,25,80,451	1,81,75,14,891
<b>Cash and Cash equivalent as per balance sheet</b>	<b>3,13,39,70,064</b>	<b>2,00,41,84,729</b>
<b>B) Other Bank Balances</b>		
(a) Balances with banks in deposit accounts with original maturity more than 3 months	0	26,19,38,238.52
<b>Total Other Bank Balances</b>	<b>0</b>	<b>26,19,38,238.52</b>
<b>TOTAL</b>	<b>3,13,39,70,064</b>	<b>2,26,61,22,968</b>



**Equity Share Capital**

Equity Share Capital	As at 31st March ,2021	As at March 31st,2020
	Amount	Amount
<b>Authorized:</b> City shares of Rs 100 each with voting rights	5,00,00,00,000	5,00,00,00,000
<b>Issued, Subscribed and Fully Paid:</b> City shares of Rs 100 each with voting rights	2,50,00,00,000	2,50,00,00,000

**Details of shares held by each shareholder holding more than 5% shares:**

	No. of Shares	As at March 31st,2021	No. of Shares	As at March 31st,2020
	No. of Shares	% holding in that class of shares	No. of Shares	% holding in that class of shares
City shares with voting rights				
using & Urban Development Department, Govt. of Odisha	1,12,50,000	45%	1,12,50,000	45%
Bhubaneswar Municipal Corporation (BMC)	1,12,50,000	45%	1,12,50,000	45%
Bhubaneswar Development Authority (BDA)	25,00,000	10%	25,00,000	10%
<b>Percentage</b>	<b>2,50,00,000</b>	<b>100%</b>	<b>2,50,00,000</b>	<b>100%</b>



## OTHER EQUITY

	As at 31st March ,2021	As at March 31st,2020
	Amount	Amount
i)Capital Reserve		
Opening Balance	3,62,47,86,729	1,67,70,72,694
Add: Capital Grant Reserve	1,68,53,94,769	1,83,14,34,932
Interest on Smart City Mission Grant Fund	8,33,91,481	11,62,79,102
<b>Balance at the end of the reporting period - March 31st 2019</b>	<b>5,39,35,72,978</b>	<b>3,62,47,86,729</b>
ii)Retained Earnings		
Opening Balance	(46,73,06,725)	(23,52,06,020)
Transfer to retained earnings	(28,78,16,703)	(23,21,00,706)
<b>Balance at the end of the reporting period - March 31st 2019</b>	<b>(75,51,23,428)</b>	<b>(46,73,06,725)</b>
<b>TOTAL (i)+(ii)</b>	<b>4,63,84,49,550</b>	<b>3,15,74,80,004</b>

## OTHER FINANCIAL LIABILITIES

### Other Financial Liabilities -Non Current

Particular	As at 31st March ,2021	As at March 31st,2020
(i)Security Deposit-Contractors	5,15,76,830	2,77,86,323
<b>TOTAL</b>	<b>5,15,76,830</b>	<b>2,77,86,323</b>

### Other Financial Liabilities -Current

Particular	As at 31st March ,2021	As at March 31st,2020
(i) Earnest Money Deposits (EMD) Collected	22,89,082	20,17,048
(ii)Lease Obligation-Office	19,18,057	-
(iii)Withholding (GST)	37,906	-
(iv)Payable to CITIIS Project #	23,44,639	
Less:Contribution to CITIIS Project - BSCL	(23,44,639)	
<b>TOTAL</b>	<b>42,45,045</b>	<b>20,17,048</b>

# The CITIIS Grants received is only towards the Assets creation. Any other Expenditure in the nature of O&M and other has to be met out of SPV's own source as per the CITIIS MOU. As such the expenditure other than creation of assets spent out of CITIIS Grants has been separately disclosed for Rs 23,44,639/- for future Contribution by BSCL as per MOU .



11 Trade Payables and Other Payables

Particular	As at 31st March ,2021	As at March 31st,2020
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
a) Sundry Creditors-UNFPA	6,08,817	4,47,473
b) Sundry Creditors-CITIIS	1,93,082	
c) Sundry Creditors for Capital Goods	-	3,93,84,548
d) Sundry Creditors for Services	2,89,18,285	5,35,79,021
e) Sundry Creditors for Retainership	-	-
<b>TOTAL</b>	<b>2,97,20,184</b>	<b>9,34,11,142</b>

OTHER LIABILITIES

12(A) Other Liabilities -Non Current

Particular	As at 31st March ,2021	As at March 31st,2020
Grants Received from OUHM, GoO( Social Equity centre)	2,82,40,341	2,99,44,712
Grants Received from BMC(ICOMC)	1,00,00,000	-
CITIIS-Grants (Deferred Income)	6,86,77,394	7,60,29,098
Grant in Kind ( Land for Projects) from GoO and Local Authorities at Nominal Cost of Rs 1/-	5	5
Lease Obligation-Office	-	77,72,950
<b>TOTAL</b>	<b>10,69,17,740</b>	<b>11,37,46,765</b>

NB: i) Grants received from OUHM has been considered against the Capitalisation of Social Equity Center. The Depreciation portion for the said Grants is 55288/- has been considered as Deferred Income.

ii) The Grants from the CITIIS Projects has been received for the following participants of the projects and being managed by the BSCL towards the Project Expenditures :

Participants	Share %
Bhubaneswar Smart City	0.57
Bhubaneswar Development Authority	42.42
Bhubaneswar Municipal Corporation	22.73
CRUT	0.04
Works Department, Odisha	34.24

The Expenditures incurred towards the CITIIS Projects is being proportionately charged to respective participants and Deferred Income is recognised accordingly .

The Interest being generated from the Short term Deposits of the CITIIS Grants is proportionately added to the respective participants Share of Grants.

12(B) Other Liabilities - Current

Particular	As at 31st March ,2021	As at March 31st,2020
(i) Statutory Dues Payable	1,67,75,966	1,01,38,342
(ii) Employees Contribution Payable	78,949	99,101
<b>TOTAL</b>	<b>1,68,54,915</b>	<b>1,02,37,443</b>

13. Provisions

Particular	As at 31st March ,2021	As at March 31st,2020
(i) Provisions for Expenses	49,82,751	13,95,864.00
(i) Provisions for Salary & Wages	4,02,653	6,71,055
<b>TOTAL</b>	<b>53,85,404</b>	<b>20,66,919</b>



14 Revenue From Operation

Particulars	For the Period from April 01,2020 to March 31, 2021	For the Period from April 01,2019 to March 31, 2020
Works-BDA Lake Zone-II	1,67,591	-
	1,67,591	-

5 Other Income

Particulars	For the Period from April 01,2020 to March 31, 2021	For the Period from April 01,2019 to March 31, 2020
(a) BSCL Misc. Project Grants		
(i) Unfpa-Contribution	30,23,319	49,48,382
(ii) H & UD-Grant- A & DE	-	9,80,00,000
(iii) BMC-Contribution-ODF Activities	-	-
(iv) CITIIS Grant- Deferred Income	1,04,46,471	54,00,000
(v) Deferred Income- Capital Grants	21,93,06,602	3,06,59,729
	23,27,76,392	13,90,08,111
(b) Income Other than Grants		
(i) Bank Interest Received -Sweep (CITIIS-BSCL)	17,166	-
(ii) Bank Interest Received-Sweep	95,62,017	90,85,830
(iii) FDR-Interest Received-ICICI Bank	73,40,097	-
(iv) FDR-Interest Received-IDBI	40,695	19,72,297
(v) FDR-Interest Received-IndusInd	9,44,372	4,30,54,723
(vi) Interest Income[ Security Deposit _Rent FVTPL]	2,05,898	1,93,314
(vii) Interest -Income Tax Refund	43,05,628	-
(viii) Interest on Mob. Advance	48,28,852	54,22,570
	2,72,44,726	5,97,28,734
(c) Net Gain/(Loss) on Financial Assets Designated as at FVTPL		
(i) Share from Investee Company's Profit & Loss FVTPL	-	-
	-	-
(d) MISC Income		
(i) RTI Information Fees	-	30
(ii) BID Processing Fees	1,90,504	61,636
(iii) Recoveries from Vendors	1,17,929	10,42,543
	3,08,433	11,04,209
<b>Total Other Income a+b+c+d</b>	<b>26,03,29,551</b>	<b>19,98,41,054</b>

Notes: As per IndAS the proportionate amount of depreciation of Rs.21,93,06,602/-on those fixed assets created out of the Grants have been recognised as Deferred Income



## 16 Employee Benefits Expenses

Particulars	For the Period from April 01,2020 to March 31, 2021	For the Period from April 01,2019 to March 31, 2020
(i) Basic Pay	81,94,599	85,10,976
(ii) House Rent Allowances	5,77,478	5,69,884
(iii) Conveyance Charges	(1,39,802)	(1,21,846)
(iv) Dearness Allowances	14,28,072	12,67,183
(v) Cafeteria Allowances	2,58,462	-
(vi) Conveyance Allowances	83,242	-
(vii) Medical Allowances	3,22,335	-
(viii) BSCL Contribution (NPS, CPF, EDU & RPFC)	2,15,139	1,65,280
(ix) BSCL Contribution (QTR Rent)	11,682	9,827
(x) BSCL Contribution (Health Insurance)	49,11,272	33,95,884
(xi) Leave Salary & Pension Contribution	2,76,023	1,02,254
<b>Total Employee Benefits Expenses</b>	<b>1,61,38,502</b>	<b>1,38,99,442</b>

## 17 Finance Cost

Particulars	For the Period from April 01,2020 to March 31, 2021	For the Period from April 01,2019 to March 31, 2020
(i) Finance Cost	-	-
Interest on Lease Obligation	8,82,503	5,66,402
<b>Total Finance costs</b>	<b>8,82,503</b>	<b>5,66,402.18</b>

## 18 Other Expenses

Particulars	For the Period from April 01,2020 to March 31, 2021	For the Period from April 01,2019 to March 31, 2020
<b>(a) Project cost :Unfpa Smart City Awareness Expenses</b>		
(i) NGO Expenses	-	22,43,790
(ii) Programme Management Support	40,46,505	22,26,805
(iii) Youth Connect Programme	1,42,251	8,54,354
(iv) Knowledge Management Programme	-	62,964
(v) Safety & Security of Women	4,500	5,48,204
(vi) UNFPA/BSCL Contingency	-	27,095
(vii) Citizen Connect Programme	1,49,183	1,77,798
(viii) INDO9PDS Programme Management & youth Engagement support	8,71,479	-
<b>(b) Operating Expenses:</b>		
(i) PgMC Consultancy Expenses	3,66,80,589	5,16,37,902
(ii) Retainership Fees	83,07,356	98,99,571
(iii) PBS Operative & Maintenance	50,00,000	5,90,00,000
(iv) Preparation of DPR(CITIIS)	14,37,153	9,25,444
(v) Operation and Maintenance Exp. (ATCS)	56,90,781	50,71,232
(vi) Repair and Maintenance Exp. (Smart Park)	21,40,663	-
(vii) Bhubaneswar One Project	86,438	-
(viii) IPSC Building Beutification works	23,205	-
(ix) I Am Bhubaneswar Initiative	1,71,65,457	-
(x) Lake Zone-II ( BDA) Expenses	1,47,042	-
<b>(c) Administrative and Other Expenses:</b>		
(i) Office Misc. Expenses	4,11,725	3,24,770
(ii) Office Rent ( Inclusive of Rent Expenses on Amortised Security Deposits)	2,83,662	1,87,779
(iii) Statutory Audit Fees	50,000	50,000
(iv) Advertisement Expenses	1,88,655	2,86,969
(v) Company Welfare Expenses	86,591	88,564
(vi) Common Area Maintenance Charges	8,87,091	8,98,371



<b>(d) Vehicle Hiring &amp; Maintenance Charges</b>		
(i) Vehicle Hiring & Maintenance Charges	19,82,387	18,43,494
(ii) Fuel Charges	8,32,424	7,43,797
<b>(e) Project Management Cost</b>		
(i) BUKC Project Expenses (CITIS)	90,09,318	54,00,000
(ii) Monitoring & Supervision Expenses	31,235	3,22,859
(iii) Training & Capacity Building Expenses	-	3,00,959
(iv) Inaugural Expenses	-	5,20,601
<b>(f) Miscellaneous Expenses</b>		
(i) Computer Peripheral Expenses	92,669	80,630
(ii) CGST RCM	17,37,161	53,955
(iii) SGST RCM	17,37,161	53,955
(iv) Sitting Fees	3,15,000	2,85,000
(v) Legal & Professional Service	10,10,200	11,53,790
(vi) Security Charges	-	-
(vii) Service Provider Charges	87,43,880	81,11,652
(viii) Internet Charges	3,45,000	3,45,000
(ix) Electricity Expenses	67,55,762	57,39,205
(x) Power Back-Up Charges	1,20,000	1,20,000
(xi) Postage & Courier	6,000	15,000
(xii) Printing & Stationary	3,50,897	2,45,327
(xiii) Professional Tax - Company	2,500	2,500
(xiv) Telephone Expenses	20,598	20,393
(xv) Repair & Maintenance	73,794	36,038
(xvi) Prior Period Expenses	-	2,14,061
(xvii) Interest on TDS	287	4,794
(xviii) Bank Charges	824	849
	<b>11,69,67,424</b>	<b>16,01,25,419</b>



## A. Equity Share Capital:

Particulars	Balance as at 31st March, 2020	Changes in equity share capital	Balance as at 31st March, 2021
Equity shares of Rs. 100/- each	2,50,00,00,000	-	2,50,00,00,000
<b>B. Other Equity</b>			

RESERVES AND SURPLUS			
Particulars	General reserve	Retained earnings	Capital Reserve
<b>Balance at April 1, 2019</b>	-	-29,52,06,020	1,67,70,72,694
Profit for the year		-23,21,00,706	1,44,18,66,675
Capital Grant Reserve (Grants Received towards Capital Layout from Govt.)			-23,21,00,706
Changes during the year			1,86,20,39,373
Interest on Smart City Mission Grant Fund			-5,08,04,441
			11,62,79,102
<b>Balance at March 31, 2020</b>	-	-46,73,06,729	3,62,47,86,729
<b>Balance at April 1, 2020</b>	-	-46,73,06,729	3,15,74,80,004
Profit for the year		-28,78,15,703	3,15,74,80,004
Capital Grant Reserve (Grants Received towards Capital Layout from Govt.)			-28,78,15,703
Changes during the year			1,90,29,97,000
Interest on Smart City Mission Grant Fund			-21,76,02,231
			8,33,91,481
<b>Balance at March 31, 2021</b>	-	-75,54,23,428	5,39,35,72,978
			4,03,34,49,550

## Notes:

- i) BSCCL has received Rs 190.30 crores towards Capital Grants for the FY 2020-21
- ii) Interest being generated during FY 2020-21 from the Unspent capital Grants has been added to the Capital Grants
- iii) Deferred income has been recognised on the capitalisation of Social Equity System, BSCC-Saheed Nagar, and Part Operational System of MIS and Smart Park



## Security Deposit

Security Deposite (at Amortised Cost)					
YEAR	Opening Balance	Interest Income	Amount Received	Closing Balance	Prepaid Expenses
2017-18	26,17,585	1,70,405	-	27,87,990	7,51,115
2018-19	27,87,990	1,81,498	-	29,69,488	5,63,336
2019-20	29,69,488	1,93,314	-	31,62,802	3,75,557
2020-21	31,62,802	2,05,898	33,68,700	-	1,87,779
					-

Year	Cash Flow	PVF@6.51	Discounted Cash Flow
2017-18	0	0.94	
2018-19	0	0.88	
2019-20	0	0.83	
2020-21	33,68,700	0.78	26,17,585



Lessee	BSCL	5,61,450.00
Lease Rental per month (18715 sft. @30 per sft)		
Lease Rental per annum		67,37,400.00
Lease Term	3 Years	
Future lease liability		2,02,12,200.00
Commencement of Lease	01.08.2018	
End of Lease term	31.07.2021	
Termination of lease		Prior to 90 days from either side
Fiscal year		Calender
ROI	:	5.40%
(10 years Govt. bond yield, dt- 17.06.2020)		

(i.e. Discounting Factor or Implicit rate of return)

PVIF @ 5.3995%  
(10 years Govt. bond yield, dt-  
17.06.2020)

0.333333333

Year	Future lease liability	PVIF @ 5.3995%	PV Value	Differences
1	44,91,600.00	0.965382788	43,36,113.33	1,55,486.67
2	67,37,400.00	0.915931639	61,70,997.82	5,66,402.18
3	67,37,400.00	0.869013595	58,54,892.19	8,82,507.81
4	22,45,800.00	0.854064221	19,18,057.43	3,27,742.57
<b>Total</b>	<b>2,02,12,200.00</b>		<b>1,82,80,060.78</b>	<b>19,32,139.22</b>

Year	Opening Lease Asset	Lease Repayment	Interest Expenses	Decrease in lease liability	Closing Lease liability
(a)	(b)	(c)	(d)=[b-c]	(e)=[a-d]	
2018-19	1,82,80,060.78	44,91,600.00	1,55,486.67	43,36,113.33	1,39,43,947.45
2019-20	1,39,43,947.45	67,37,400.00	5,66,402.18	61,70,997.82	77,72,949.62
2020-21	77,72,949.62	67,37,400.00	8,82,507.81	58,54,892.19	19,18,057.43
2021-22	19,18,057.43	22,45,800.00	3,27,742.57	19,18,057.43	
<b>Total</b>		<b>2,02,12,200.00</b>	<b>19,32,139.22</b>		

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01-08-2018 To 31-03-2021

Lease Obligation

Interest on Lease Obligation  
Lease Obligation

To Dr Cr 1,55,486.67  
1,55,486.67

31-03-2019 Depreciation-ROU  
Accm. Depreciation-ROU

To Dr Cr 40,62,235.73  
40,62,235.73

31-03-2019 Lease Obligation  
Rent (Retained  
Earning/Comparative P/L)

To Dr Cr 44,91,600.00  
44,91,600.00

31-03-2020 Interest on Lease Obligation  
Lease Obligation

To Dr Cr 5,66,402.18  
5,66,402.18

31-03-2020 Depreciation-ROU  
Accm. Depreciation-ROU

To Dr Cr 60,93,353.59  
60,93,353.59

31-03-2021 Lease Obligation  
Rent

To Dr Cr 67,37,400.00  
67,37,400.00

31-03-2021 Interest on Lease Obligation  
Lease Obligation

To Dr Cr 8,82,507.81  
8,82,507.81

31-03-2021 Depreciation-ROU  
Accm. Depreciation-ROU

To Dr Cr 60,93,353.59  
60,93,353.59

31-03-2021 Lease Obligation  
Rent

To Dr Cr 67,37,400.00  
67,37,400.00



Investment					
Name of Equity	No of Share	Relationship	accounting method	face Value As on 31 March 2017	EPS
CAPITAL REGION URBAN TRANSPORT	100000	Associates	equity Method	10	5.51

Investment					
Name of Equity	No of Share	Relationship	accounting method	face Value As on 31 March 2018	EPS
CAPITAL REGION URBAN TRANSPORT	100000	Associates	equity Method	10	3.46

Investment					
Name of Equity	No of Share	Relationship	accounting method	face Value As on 31 March 2019	EPS
CAPITAL REGION URBAN TRANSPORT	100000	Associates	equity Method	10	-126.69
Loss in Financial Assets (Investment in CRUT)					



Calculation of Deffered Tax for Financial the year 2020-21	
Net Block of asset as per IT Act	2,08,48,477.22
Net Block of asset as per CO Act	1,54,37,95,588.92
Difference	(1,52,29,47,111.70)
Deffered tax (Liability)/ Assets	(39,59,66,249.04)
Deffred tax asset due to Leave encashment	
Deffred tax asset due to Gratuity	
Deffred tax asset due to Bonus	
Deffred tax assets for porvision due to bad debts	
Total Deffered tax (Liability)/ Assets to be provided for	(39,59,66,249.00)
Less: Op deffered tax( Liability)/ Asset	21,38,60,404.00
Deffered tax (liability)/ Assets to be provided for the year	(18,21,05,845.00)



## SCHEDULE OF FIXED ASSETS (Under IT Act Financial Year 2020-21)

Particulars	Rate of Dep	Net block as on 01.04.2020	Addition upto Sept 2020 (>180 days)		Value realised on sale, extinguishment of asset	Gross Value of block of asset	Depreciation upto Sept 2020 (>180 days)	Depreciation upto March 2021 (<180 days)	Depreciation during the Year upto 31st March 2021	NET BLOCK as on 31.03.2021
			Addition upto Sept 2020 (<180 days)	Depreciation upto Sept 2020 (>180 days)						
Building	10.00%	-	-	-	-	-	-	-	-	-
Plant & Machinery	15.00%	-	-	-	-	-	-	-	-	-
COMPUTERS	40.00%	34,50,288	14,204	-	34,74,542	13,04,115	2,851	13,00,966	29,87,676	34,50,288
INTANGIBLE ASSET (SOFTWARE)	40.00%	85,638	33,46,480	-	34,33,118	13,73,247	-	13,73,247	20,51,871	85,638
OFFICE EQUIPMENT	15.00%	1,55,312	38,778	-	1,04,000	23,297	2,800	26,2025	1,67,895	1,55,312
FURNITURE & FIXTURE	10.00%	1,06,20,932	5,02,820	-	1,11,23,753	10,02,093	25,141	10,87,234	1,00,35,518	1,06,20,932
ELECTRICAL EQUIPMENTS & INSTALLATION	15.00%	76,43,091	33,46,480	-	76,43,091	11,45,484	-	11,46,484	64,98,627	76,43,091
PREVIOUS YEAR BALANCE		2,12,06,248	1,97,859	40,74,764	-	2,85,28,915	27,47,700	5,14,954	35,82,654	2,15,66,281



**Bhubaneswar Smart City Limited**  
**Notes forming part of the financial statements**  
**For the year 2020-21**

**Note .1 General Information:**

Bhubaneswar Smart City Limited ('BSCL' 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 BMC Bhawani Mall, 5th Floor, Saheed Nagar, Bhubaneswar formed under Smart City Mission of the Government of India for implementation of smart city projects in Bhubaneswar. The Company adopted for implementation of Indian Accounting Standards (Ind AS) voluntarily at the 13th Meeting of Board of Directors of BSCL held on 25th July 2019.

The financial statements for the year ended on 31st March, 2021 have been approved and authenticated by the Board of Directors on its 20<sup>th</sup> meeting held on 13<sup>th</sup> September, 2021

**Note.2 Statement of Compliance:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

**Note.3 Significant Accounting Policies:**

**3.01 Basis of preparation and presentation**

**(a) Statement of Compliance**

The financial statements of the Company have been prepared on accrual basis of accounting in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under section 133 of the Companies Act 2013 (The Act), as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. The Company has uniformly applied the accounting policies during the period.

**Operating Cycle:** The Company has a normal operating cycle of 12 months considering its operations.

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



of Current/Non Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- i) It is expected to be realized, or is intended to be sold or consumed, within next twelve months ; or
- ii) It is held primarily for the purpose of trading; or
- iii) It is expected to realise the asset within twelve months from the reporting period; or
- iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months from the reporting period. All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- i) It is expected to be settled in the normal operating cycle; or
- ii) It is held primarily for the purpose of trading; or
- iii) It is due to be settled within twelve months from the reporting period; or
- iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months from the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

#### **(c) Basis of Measurement**

The Financial Statements are prepared under the historical cost and on accrual basis except for certain assets and liabilities that have been measured at fair values as required by relevant Ind AS.

#### **(d) Functional and Presentation Currency**

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest rupee unless otherwise stated.

#### **3.02 Use of estimates**

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 recognized 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/materializes.



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.

**Estimation of uncertainties due to COVID-19:**

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of its receivables and other assets and found that there will be no significant impact on the carrying values of the assets due to COVID-19.

**Impact of COVID-19**

The company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant.

The leases that the Group has entered with lessors towards properties used as offices are long term in nature and no changes in terms of those leases are expected due to COVID-19.

**3.03 Investments in associates and joint ventures**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the balance sheet at cost and adjusted thereafter to recognise the Entity's share of the profit or loss and other comprehensive income of the associate or joint venture.

Distributions received from an associate or a joint venture reduces the carrying amount of the investment. When the Entity's share of losses of an associate or a



Joint venture exceeds the Entity's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Entity's net investment in the associate or joint venture), the Entity discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

After application of the equity method of accounting, the Entity determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Entity's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Entity discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Entity retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Entity measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Entity accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

The Entity continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.



When the Entity reduces its ownership interest in an associate or a joint venture but the Entity continues to use the equity method, the Entity reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

### **3.04 Property, Plant and Equipment**

Property, plant and equipment, other than freehold lands, held for use in the production and/or supply of goods or services, or for administrative purposes, are stated at cost, less accumulated depreciation and accumulated impairment losses. Freehold lands, unless impaired, are stated at cost. Costs directly attributable to construction or acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

### **3.05 Initial Measurement**

The initial cost comprises purchase price, non-refundable purchase taxes, other directly expenditure attributable to acquisition, borrowing cost, if any, incurred for bringing the assets to its location and condition necessary for it to be capable of operating in the manner intended by Management, and the initial estimates of the present value of any asset restoration obligation or obligatory decommissioning and dismantling costs.

Expenditure incurred on development of freehold land is capitalized as part of the cost of the land.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads and directly attributable borrowing costs, if any. Unsettled liabilities for price variation in case of contracts are accounted for on estimated basis as per the terms of the contracts.

Spare parts having unit value of more than Rs.5 lakh that meets the criteria for recognition as Property, Plant and Equipment are recognized as Property, Plant and Equipment.

Besides, spares of critical nature and irregular in use, which can be identified to a particular equipment and having unit value more than Rs.1 lakh is also recognised as Property, Plant and Equipment.

### **3.06 Subsequent expenditure**

Subsequent costs are included in the assets carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Expenditure on major maintenance or repairs including cost of replacing the parts



of assets and overhaul costs associated where it is probable that future economic benefits will be available to the company, are capitalized and the carrying amount of the item so replaced is derecognized. Similarly overhaul costs associated with major maintenance are capitalized and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognized.

The costs of the day to day servicing of property, plant and equipment recognized in the statement of profit and loss as incurred.

Physical verification of Fixed Assets is undertaken by the management at a reasonable interval and in a phased manner so as to complete 100% verification in a cycle of three years. The discrepancies noticed, if any, are accounted for in the year in which such differences are found.

Property, plant and equipment which are subject to componentization, comprises of main assets, componentized assets and remainders, if any. The Company has chosen a benchmark of Rs. 1 crore or above for the purposes of componentization.

### **3.07 Capital work-in-progress**

Assets in the course of construction for production and/or supply of goods or services or administrative purposes, or for which classification is not yet determined, are included under capital work in progress and are carried at cost, less any recognised impairment loss. Such capital work in progress, on completion, is transferred to the appropriate category of property, plant and equipment.

Expenditure incurred on construction of assets which are not ready for their intended use are carried at cost less impairment (if any) under Capital work in progress. The cost includes purchase cost of materials/ duties and non refundable taxes, any directly attributable costs and interest on borrowings used to finance the construction of assets.

Capital expenditure on assets not owned by the company is reflected as a distinct item in capital work in progress till the period of completion and ready for the intended use and, thereafter, under Property, Plant and equipment. However, similar expenditure for CSR/ community development is charged off to revenue.

Expenses for assessment of new potential projects incurred till investment decision are charged to revenue. Expenditure incurred for projects after investment decisions are accounted for under capital work in progress and capitalized subsequently.



### **3.08 Depreciation and amortization**

Depreciation on assets are provided on a Written Down Value (WDV) basis over their useful life of the asset, which has been determined considering the useful lives prescribed under Schedule II of the Companies Act, 2013 and technical estimations carried out by the Management.

Component of an item of property, Plant and Equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset.

The residual value of assets are maintained at 5% of the original cost.

The estimated useful lives are reviewed at each year end and the effect of change, if any, is accounted for prospectively. Useful lives of the assets considered for depreciation are described hereunder:

Individual Assets costing Rs.5,000/- or less are depreciated fully in the year in which they are put to use.

Freehold land is not depreciated. Premium paid on leasehold land including land development and rehabilitation expenses amortized over the years taking its useful life.

### **3.09 De-recognition**

An item of property, plant and equipment is derecognised 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 is recognised in the statement of profit and loss.

### **3.10 Intangible Assets**

#### **3.10.1 Intangible assets acquired separately**

Intangible assets acquired are reported at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets having finite useful life are amortised over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

#### **3.10.2 Internally-generated intangible assets – research and development expenditure**

Expenditure on research activities, except capital expenditure considered as Property, plant and equipment, is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development is recognized if, and only if, all the conditions stipulated in Ind AS 38 – Intangible Asset are met.

#### **3.10.3 User Rights:**

Amount of expenditure incurred in a cluster project having future economic



benefits, with exclusive use of co-beneficiaries but without physical control on the assets are capitalized as user rights.

#### **3.10.4 Software**

Operating software acquired separately (RDBMS,ERP/SAP etc.) are capitalized as intangible asset (Software) where they are clearly linked to long term economic benefits for the Company. They are measured initially at purchase cost and then amortized on a written down value method over their estimated useful lives.

#### **3.10.5 License and Franchise**

Amount of expenditure incurred for obtaining license for use of technology is capitalized as Intangibles under the head "License and Franchise".

#### **3.10.6 Derecognition of intangible assets**

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, are recognized in the statement of profit and loss when the asset is derecognized.

#### **3.10.7 Amortization**

The basis of amortization of intangible assets, based on useful life is as follows:

- (a)Licenses in the nature of technical know-how for processing plants which are available for the useful life of the respective processing plants are amortized over a period of ten years.
- (b)Software classified as intangible assets carries useful life as per schedule II of the Companies Act 2013.
- (d)User Right for cluster projects is amortized over a period of 10 years from the date of commissioning.

### **3.11 Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount (i.e. higher of fair value less cost to sell and the value-in-use) of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount and the difference between the carrying amount and recoverable amount is recognized as impairment loss in the statement of profit or loss.

Intangible assets with an indefinite useful life and intangible assets not yet



available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

### **3.12 Functional & Foreign Currencies**

Items included in the financial statements are measured using the currency of the primary economic environment i.e Indian Rupee in which the Company operates. The Company's functional and reporting currency is Indian Rupees (INR). The financial statements are presented in Indian Rupees.

In preparing the financial statements, transactions in foreign currencies i.e currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

### **3.13 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 recognized in the financial statements. A contingent asset are not recognized in the financial statement ,but are disclosed where an inflow of economic benefit is probable.



### 3.14 Leases (IndAS-116)

Ind AS 116 replacing the existing standard Ind AS 17 and is effective from 01.04.2019. In compliance with this Ind AS leased assets and leased liabilities have been recognized in the books of the Company in the FY 2020-21 using the modified retrospective method..

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses Govt Bond Yield Rate as on the reporting date of first adaptation of IndAS-116. Any major changes in rate having material impact shall be considered lateron if the lease period is still continuing for more than 12 months. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss. The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

### 3.15 Inventories

Inventory of raw material are valued at cost net of tax credit wherever applicable. Stores and spares other than those meeting the criteria for recognition as Property, Plant and Equipment are valued at cost net of tax credit wherever applicable.

Stores and spares (other than major spares considered as Property, Plant and Equipment) held but not issued for more than 5 years are valued at 5% of the cost.

Materials and other supplies held for use in the production (other than considered as non-moving) are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. These are



stated below the cost at net realizable value if the finished products in which they are to be incorporated are sold below cost.

Cost of raw materials, stores and spares as stated above are determined on moving weighted average price.

Inventories of finished goods, semi-finished goods, intermediary products and work in process including process scrap are valued at lower of cost and net realizable value. Cost is generally determined at moving weighted average price of materials, appropriate share of labour and related overheads. Net realizable value is the estimated selling price in the ordinary course of business available on the reporting date less estimated cost necessary to make the sale.

Inventory of scraps internally generated are valued at net realizable value.

### **3.15.1 Non-inventoried stock items**

Non-inventoried stock items such as medicine, printing & stationery and canteen stores are charged to consumption account in the system at the time of purchase. Basing on physical verification report, value of such stock (on purchase cost) at the yearend is adjusted while finalizing the Annual Accounts. The consumption account of such stores is reduced to the extent of physical stock value.

## **3.16 Financial Instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost 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 liabilities.

### **3.16.1 Financial assets**

#### **a) Cash or Cash Equivalent:**

The Company considers all short term Bank deposits having a maturity period of three months or less as cash & cash equivalent. Term deposits in Bank with a maturity period of more than 3 months are considered as other Bank Balance. For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

#### **b) Financial assets at amortized cost:**

Financial assets are subsequently measured at amortized costs if the financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of



principal and interest on the principal amount outstanding.

**c) Financial assets at Fair value through Other Comprehensive Income (OCI)**

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

**d) 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 amortized cost or at fair value through other comprehensive item on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit or loss.

**3.17 Financial liabilities**

Trade and other payables are initially measured at transaction costs. Other financial liabilities are measured at amortized cost using the effective interest method.

**3.18 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

**3.19 Compound Instruments**

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured.



### **3.20 Financial guarantee contract liabilities**

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and
- The amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.

### **3.21 De-recognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

### **3.22 Impairment of financial assets**

At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

### **3.23 Derecognition of financial liability**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

### **3.24 Offsetting financial instruments**

Financial assets and liabilities of the Company are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise



the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

### **3.25 Accounting for government grants**

Government grants are recognized when 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 the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income and are transferred to profit or loss on a systematic basis over the useful life of the related assets.

Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Grants related to income are presented under other income in the statement of profit and loss.

Government grant in the nature of Promoters' Participation in the ownership of the Entity for Capital Layout shall be treated and shown under the Other Equity as Capital Grant reserve.

### **3.26 Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company considers a period of twelve months or more as a substantial period of time. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

### **3.27 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the



consideration received or receivable. Revenues are reduced by the estimated rebates and other similar allowances taking into account contractually defined terms and excluding taxes and duties collected on behalf of the government

### **3.27.1 Sales of Goods/Services**

The Company derives revenue primarily from services towards the providing public utilities to the general public within the Smart City Areas. The Company recognizes revenue when all the following criteria are satisfied:

- (i) significant risks and rewards of ownership have been transferred to the customer;
- (ii) there is no continuing management involvement with the goods usually associated with ownership, nor effective control over the service supplied /goods sold has been retained;
- (iii) the amount of revenue can be measured reliably;
- (iv) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (v) recovery of the consideration is assured reasonably.

### **3.27.2 Income from dividend and interest**

#### **a) Dividend:**

Dividends income from Investments is recognised when the right to receive the dividend is established.

#### **b) Interest:**

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 proportion basis, by reference to the principal outstanding and effective interest rate.

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

#### **c) Income from Incentives from Government Agencies**

Government Grants, if any, received during the year against any project or Scheme implemented during that year is credited to the project or Scheme cost. If such Grant is received at a later year after completion of the project, the same is treated as other income in the year in which it is received. Revenue related grants are treated as other income in the year in which they are received.

### **3.27.3 Other Income**

Revenue from rentals and operating leases is recognised on an accrual basis in accordance with the substance of the relevant agreement.



Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realisation/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

Insurance claims are accounted for based on certainty of realisation.

Grants from NGO, UNFPA etc. are accounted for based on fulfillment of obligation attached to grants and shown under other Income.

### **3.28 Income Taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and 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.

#### **3.28.1 Current taxes**

Current tax expense is based on taxable profit for the year as per the Income Tax Act, 1961. Current tax liabilities (assets) for the current and prior period are measured at amounts expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period and includes any adjustment to tax payable in respect of previous years.

#### **3.28.2 Deferred taxes**

Deferred tax expense or income is recognized on temporary difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in computation of taxable profits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Tax relating to items recognized directly in other comprehensive income forms part of the statement of comprehensive income.

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent it has become probable that sufficient taxable profits will be available to allow the asset to be recovered.

### **3.29 Employee benefits**



### **3.29.1 Short-term employee benefits**

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

### **3.29.2 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.

### **3.30 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.

### **3.31 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

### **3.32 Exceptional items**

Exceptional items are items of income and expenses within profit or loss from ordinary activities but of such size, nature or incidence whose disclosure is felt necessary for better explanation of the performance of the Company.

### **3.33 Restatement of material error / omissions**

The value of errors and omissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented, if the sum total effect of earlier period income / expenses exceeds Rs.25 Lakhs.

### **3.34 Critical judgments in applying accounting policies:**

The following are the critical judgments, apart from those involving estimations (see point 3.02), that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the



amounts recognized in the financial statements.

#### **Financial assets at amortized cost**

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and has confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows. The carrying amount of these financial assets are disclosed in note 5A.

#### **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **Impairment of investments**

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### **Provisions**

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 adjusted to reflect the current best estimates.

#### **Prepaid Expenses**

Prepaid expenses up to Rs. 5,00,000/- per transaction per year shall be treated as expenses in the Financial Year in which it is paid.

### **3.35 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.

#### **3.36 Non-current assets held for sale and discontinued operations**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell

#### **3.37 Onerous contracts**

A provision for onerous contracts is recognized when the expected benefits to be



derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

### **3.38 Restructurings**

A restructuring provision is recognized when there is a detailed formal plan for the restructuring which has raised a valid expectation in those affected. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.

### **3.39 Restoration, rehabilitation and decommissioning**

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or other activities. The Company has recognized the obligated restoration, rehabilitation and decommissioning liability as mandated in the land document on which the Plant property and equipment is erected.

Such costs, discounted to net present value, are provided for and a corresponding amount is capitalized at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the statement of profit or loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision.

The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance and other cost in the statement of profit or loss.

### **3.40 Environmental liabilities**

Environment liabilities are recognized when the Company becomes obliged, legally or constructively to rectify environmental damage or to perform remediation work.

### **3.41 Litigation**

Provision is recognized once it has been established that the Company has a present obligation based on consideration of the information which becomes available up to the date on which the Company's financial statements are finalized.

## **A Ind AS optional exemptions**

- I. Deemed cost for property, plant and equipment, investment property and intangible assets**



Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment, and intangible assets at their previous GAAP carrying value.

#### **B. Ind AS mandatory exceptions from retrospective application**

##### **1. Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- a) Fair Value of Security Deposits carried at FVTPL over the period of Lease Period
- b) Investment in Associate Concern carried at Equity Method

##### **2. Classification and measurement of financial assets and liabilities**

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes



retrospectively if:

- a) The effects of the retrospective application or retrospective restatement are not determinable;
- b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

For the purpose of certain financial instruments carried at amortised cost for which fair value was determined on the date of transition to Ind AS, discount rates as at the date of transition were determined on the normal deposits rate of bank (FD rate) for the period in case of financial assets (deposits given) and entity's own borrowing rate (incremental rate) for discounting the financial liabilities (deposits received).

### **3. Changes in Existing Decommissioning, Restoration and Similar Liabilities**

The Company has elected to apply the exemption provided in Appendix D.D21 to D21A of Ind-As 101 in determination of decommissioning, restoration and similar liabilities.



**Note-4 Disclosure of related party transactions**

**I. List of Related Parties**

Name of Related Party	Nature of Relationship
Bhubaneswar Municipal Corporation (BMC)	Shareholder
Bhubaneswar Development Authority (BDA)	Shareholder
Capital Region Urban Transport (CRUT)	Associate Concern
Shri Prem Chandra Chaudhary, Chief Executive Officer	Key Managerial Personnel
Shri Manoranjan Samantaray, Chief Financial Officer	Key Managerial Personnel
Shri Ajaya Kumar Majhi, Company Secretary	Key Managerial Personnel

**II. Transactions with related parties during the period:**

Particulars	As at March 31, 2021	As at March 31, 2020
	(In Rs)	(In Rs)
Bhubaneswar Development Authority for BUKC	13,50,50,585	63,25,000
Bhubaneswar Municipal Corporation	67,37,400	67,37,400
CRUT	Nil	6,27,26,418
<b>Remuneration to Key Managerial Personnel</b>		
1) Short Term Employee Benefits:		
Shri R. Vineel Krishna,CEO (Till 24.06.2019)	Nil	4,43,880
Shri Prem Chandra Chaudhary, CEO	1,00,258	Nil
Shri Aravinda Routray,CFO (Till 19.09.2019)	Nil	6,19,390
Shri Manoranjan Samantaray, CFO	15,17,763	6,29,462
Shri Ajaya Kumar Majhi, Company Secretary	10,87,597	10,30,968

**III. Outstanding Balances:**

Particulars	As at March 31, 2021	As at March 31, 2020
	(In Rs)	(In Rs)
<b>Receivable</b>		
Bhubaneswar Development Authority	6,16,435	48,29,516
Bhubaneswar Municipal Corporation	Nil	Nil
<b>Payable</b>		
Bhubaneswar Municipal Corporation	1,59,80,000	1,82,25,800
Bhubaneswar Development Authority for BUKC	Nil	57,03,080



**NOTE -5**  
**Earning per share (EPS)**

Particulars	As at March 31, 2021 in Rs.	As at March 31, 2020 in Rs.
Net profit available for equity share holders	(28,78,16,703)	(23,21,00,706)
Weighted average number of equity shares for Basic EPS	2,50,00,000	2,50,00,000
Face value per share	100	100
Basic EPS	(9.96)	(9.28)
Weighted average number of equity shares for Diluted EPS	2,50,00,000	2,50,00,000
Diluted EPS	(11.51)	(9.28)

**NOTE – 6**

**Contingent Liabilities and Commitments**

There are no contingent liabilities as at March 31, 2021. However, for the purpose of disclosure of status of pending case at Hon'ble High Court with no financial implication towards contingent liabilities given below:

**Status of case matter pending before High Court of Orissa filed by Enkon Pvt Ltd.**

1. Enkon Pvt Ltd has filed a Review Petition No.53/2017(Arising out of W.P.(C) No.19563 of 2016 Date of order 29.11.2019) before the Hon'ble High Court of Orissa.
2. The aforesaid case is closed and there is no other financial implication.

**Capital Commitments**

Particulars	Total Project awarded Cost	Total Expenditure incurred upto 31.03.2021	Balance Amount of Un- Executed Work as on March 31, 2021
	Rs.	Rs.	Rs.
ATSC	14,69,69,669.00	8,41,96,202.28	6,27,73,466.72
BMC ICOMC	73,20,30,000.00	55,87,27,463.12	17,33,02,536.88
IPSC (Saheed Nagar)	3,47,42,880.00	3,45,05,963.00	2,36,917.00
LAKE NEUTRAL	50,95,41,225.00	1,84,081.00	50,93,57,144.00



MASTER SYSTEM INTEGRATION	6,89,95,10,542.00	2,41,61,11,903.00	4,48,33,98,639.00
MLCP-SAHEED NAGAR	28,87,00,000.00	20,80,62,301.00	8,06,37,699.00
MLCP-UNIT-II	43,85,00,000.00	26,22,24,794.00	17,62,75,206.00
SMART JANPATH	80,71,78,298.00	54,67,29,190.00	26,04,49,108.00
SAMRT PARK- SAHEED NAGAR	2,32,38,618.00	2,30,86,006.00	1,52,612.00
SOCIAL EQUITY CENTER	6,10,97,908.00	6,07,61,004.00	3,36,904.00
IPSC, BAPUJI NAGAR	5,06,37,433.00	3,11,27,857.00	1,95,09,576.00
SENSORY PARK	93,05,737.00	78,64,814.00	14,40,923.00
BUS QUE SHELTERS	29,32,18,816.00	29,32,18,816.00	-

1. All above figures are inclusive of Taxes
2. In absence of certified value of unexecuted work as on 31st March 2021, same is considered as Total Costs less value certified/payments done till year end.

#### NOTE - 7

##### 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 - 8

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 - 9**

Previous year's figures are restated wherever necessary.

**NOTE - 10**

In case of Capital Work in Progress 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 Local Authorities and Govt. Of Odisha Company has begun the process of having a memorandum of understanding with concern department of Govt of Odisha about the rights of the Company. In case of no such comfort in future, Company shall charge the same costs to Profit & Loss Account.

**NOTE - 11****Investment in CRUT:**

The Investment made in the equity share of the Capital Region Urban Transport is treated as per the Ind AS 28 as strategic Investment with significant influence over the investee due to the evidence of representation on Board of Directors or Corresponding Governing Body of the Investee, Interchange of Managerial Personnel, Provision of Essential Technical Information, Material transaction between the company and the investee. The Investment in equity share has been recasted based on equity method. The Carrying amount of the investment is adjusted to recognize the Company's share of profit & loss of the investee after the date of acquisition.

Excessive Loss in the investee company shall reduce the Investment carrying cost to Nil without further booking of Loss.

**Un Quoted Equity Shares in CRUT**

Name of Equity	No of Share	Relationship	Face Value As on 31 March 2017	EPS (Rs)	Carrying Amount (Rs)
CAPITAL REGION URBAN TRANSPORT	1,00,000	Associates	10	5.51	15,51,000.00

Name of Equity	No of Share	Relationship	Face Value As on 31 March 2018	EPS	Carrying Amount
CAPITAL REGION URBAN TRANSPORT	1,00,000	Associates	10	3.46	18,97,000.00



Name of Equity	No of Share	Relationship	Face Value As on 31 March 2019	EPS	Carrying Amount
CAPITAL REGION URBAN TRANSPORT	1,00,000	Associates	10	-126.69	-
Loss in Financial Assets (Investment in CRUT)					(18,97,000.00)

Name of Equity	No of Share	Relationship	Face Value As on 31 March 2020	EPS	Carrying Amount
CAPITAL REGION URBAN TRANSPORT	1,00,000	Associates	10	-126.69	-
Loss in Financial Assets (Investment in CRUT)					

\*Since EPS of CRUT share is not available as on 31.03.2021 hence last year EPS has been considered and Unrecognised loss: (Rs.1,26,00,000.00)

No Dividend has been declared by CRUT during the FY 2020-21.

#### NOTE-12

##### Fair Valuation of Financial Instrument:

###### i) Security Deposits : ( Financial Assets)

The refundable interest free Security Deposit for the BSCL Office is amortized to Present Value by discounting the same over the lease period. The rate of FDRs as invested by BSCL has been taken as base rate for discounting over the period of lease.

The Security Deposits which are refundable within 12 months i.e. current financial assets are not subject to the fair valuation by discounting to Present value.

###### ii) Security Deposits : ( Financial Liabilities);

The Securities Deposits being retained from the Running Accounts Bills of various Project Expenses are assumed to be deemed cost of security deposits.

#### NOTE-13

##### Plant, Property and Equipment : LAND (LEASE HOLD)

Physical hand over/ Permissible Possession of Govt. Land for permanent infrastructural development under the Smart City Projects (like Multilevel Car Parking, IPSC, Social Equity Centre etc.) being handed over to BSCL free of Cost shall be treated as Govt Grants in Kind i.e. Non-Monetary Govt. Grant (under Non Current Liabilities) and shown at the Nominal Value of Rs 1.00 for the respective land area being used for permanent



infrastructural establishment since the title of such properties not registered in the name of the BSCL.

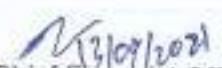
Projects	Area Allotted	Land Value (Year Wise) At Nominal cost of Re 1.00					
		FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	
Social Equity Center	Ac. 0.666 Dec.	1.00				1.00	1.00
MLCP ,Saheed Nagar	Ac. 0.734 Dec.		1.00			1.00	1.00
MLCP ,Unit-II	Ac. 0.974 Dec.		1.00			1.00	1.00
IPSC- Saheed Nagar	Ac. 0.319 Dec.		1.00			1.00	1.00
IPSC-Bapuji Nagar	Ac. 0.268 Dec.				1.00	1.00	1.00
Total		1.00	3.00	1.00	5.00	5.00	

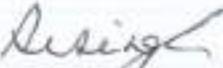
For T.K.Agarwalla & Co.  
Chartered Accountants  
FRN: ER0884

For and on Behalf the Board of Directors of  
Bhubaneswar Smart City Limited

Nityananda Nayak)

  
Company Secretary

  
Chief Financial Officer

  
Director-Cum-CEO

  
Director

Partner

M. No: 302878

Date:

Place: Bhubaneswar

