

Annual Accounts For 2023-2024



Bhubaneswar Smart City Limited

5th Floor, BMC ICOMC Tower, Bhoi Nagar, Unit-9 Bhubaneswar- 751022,

E-mail Id: bbsr.bscl@gmail.com, CIN: U74990OR2016PLC020016

Ph. No.: [2548408/2548228](tel:25484082548228)

BHUBANESWAR SMART CITY LIMITED
5th Floor, ICOMC Tower, Bhoi Nagar, Unit - 9, Bhubaneswar - 751022
Balance Sheet as at 31st March, 2024

In Rs.

Sl No.	Particulars	Notes No.	As at 31st March, 2024	As at 31st March, 2023
I.	ASSETS			
(1)	Non-Current Assets			
	(a) Property, Plant and Equipment	1	5,19,27,95,619	4,56,80,10,494
	(b) Capital Work -in-Progress	2	2,29,54,656	48,50,13,675
	(c) Other Intangible Assets	3	28,24,55,161	36,83,78,354
	(d) Financial Assets			
	(i) Investments	4	-	-
	(ii) Other Financial assets	5(A)	1,50,50,311	1,25,56,404
	(e) Other Non-Current Assets	6(A)	1,65,48,05,237	27,82,00,000
(2)	Current Assets			
	(a) Financial Assets			
	(i) Cash & Cash Equivalents	7	2,00,46,02,755	2,64,81,27,114
	(ii) Other Current Financial Assets	5(B)	5,40,72,782	29,39,46,218
	(b) Advance Income Tax including TDS/TCS Receivable		3,94,03,488	3,75,59,290
	(c) Other Current Assets	6(B)	11,18,63,632	6,27,16,500
	(d) Trade Receivables	5(C)	10,50,71,980	5,81,81,350
	TOTAL ASSETS		9,48,30,75,621	8,81,26,89,399
II.	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	8	2,50,00,00,000	2,50,00,00,000
	(b) Other Equity	9	2,39,58,36,672	4,19,94,20,369
	LIABILITIES			
(1)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	10(A)	90,70,03,554	9,27,29,176
	(b) Deferred tax liabilities (Net)		1,41,95,14,362	1,27,87,77,249
	(c) Other Non-Current Liabilities	12(A)	1,89,53,55,978	53,26,24,035
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Trade Payables and Other Payables:			
	(a) Dues of micro and small enterprises			
	(b) Dues of creditors other than micro and small enterprises	11	3,76,81,001	12,12,92,870
	(ii) Other Financial Liabilities	10(B)	59,39,567	62,25,536
	(b) Other Current Liabilities	12(B)	2,50,55,985	88,45,694
	(c) Provisions	13	29,66,88,502	7,27,74,469
	TOTAL EQUITY & LIABILITIES		9,48,30,75,620	8,81,26,89,399
Notes forming part of the financial statements		(1-18)		

For Subrat Das & Co
Chartered Accountants
FRN: 319080E

Partner
M. No-054189



Company Secretary

Company Secretary
Bhubaneswar Smart City Limited

CHIEF FINANCE OFFICER
Bhubaneswar Smart City Ltd.
Bhubaneswar

Chief Finance Officer

Managing Director

Bhubaneswar Smart City Limited

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

Managing Director

Director

UDIN - 25054189BMHZRW1680

BHUBANESWAR SMART CITY LIMITED
5th Floor, ICOMC Tower, Bhoi Nagar, Unit - 9, Bhubaneswar - 751022
Statement of Profit and Loss for the period ended on 31st March, 2024

In Rupees			
Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I Revenue from operations	14	10,17,66,260	7,28,81,801
II Other Income	15	1,69,50,52,690	1,00,14,51,143
III Total Income (I+II)		1,79,68,18,951	1,07,43,32,944
IV Expenses			
(a) Employee Benefit Expenses	16	1,10,95,851	1,42,81,508
(b) Finance Costs	17	-	-
(c) Depreciation and Amortisation Expenses	1 & 3	1,37,46,12,090	91,98,00,605
(d) Other Expenses	18	41,35,22,625	14,71,00,069
Total Expenses		1,79,91,70,567	1,08,11,82,182
V Profit/(loss) before Exceptional Items and tax (III-IV)		(23,51,616)	(68,49,239)
VI Exceptional Items		-	-
VII Profit/Loss before tax(V-VI)		(23,51,616)	(68,49,239)
VIII Tax Expense			
(1) Current Tax		-	-
(2) Deferred Tax		14,07,37,113	69,09,33,946
IX Profit/(loss) after tax (VII-VIII)		(14,30,88,729)	(69,77,83,185)
X Other Comprehensive Income			
(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		-	-
(ii) Income Tax relating to items that will be Reclassified to Profit or Loss		-	-
XI Total Comprehensive Income for the Period (Comprising Profit/(loss) and Other Comprehensive Income for the Period		(14,30,88,729)	(69,77,83,185)
XII Earnings Per Equity Share			
(1) Basic		(5.72)	(27.91)
(2) Diluted		(5.72)	(27.91)

Notes forming part of the financial statements

(1-18)

For Subrat Das & Co
Chartered Accountants
FRN: 319080E

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

Partner
M. No. 054189

Company Secretary

Chief Finance Officer

Managing Director
DIN: 10798751

Director
DIN: 09094053



CHIEF FINANCE OFFICER
Bhubaneswar Smart City Limited
Bhubaneswar

Company Secretary
Bhubaneswar Smart City Limited

UDIN - 25054189 B M H Z R W 1680

Bhubaneswar Smart City Limited (BSCSL)
 For Particulars, (COC) Particulars, 2023-24, 2023-24, 2023-24
 Cash Flow Statement for the year ended 31st March, 2024

in Rs.

Sl.	Particular	As at March 31st, 2023	As at March 31st, 2022
1	Cash flows from operating activities		
	Net profit before taxation, and extraordinary item	(23,51,616)	(68,49,239)
	Adjustments for Depreciation	1,37,46,12,090	91,98,00,605
	Interest Income	54,38,714	30,317
	Operating profit before working capital changes		
	Increase/(Decrease) in Trade Payable	(8,75,04,338)	10,21,12,600
	Increase/(Decrease) in Other Financial Liabilities	81,39,88,408	1,27,24,789
	Increase/(Decrease) in Other Current Liabilities	1,62,10,291	(75,33,635)
	Increase/(Decrease) in Other Non-Current Liabilities	1,36,27,31,942.95	29,75,13,515
	(Increase)/Decrease in Income Tax Assets	(4,86,60,319)	(2,25,15,224)
	(Increase)/Decrease in other non current Assets	(1,37,66,05,257)	(27,82,00,000)
	(Increase)/Decrease in other current Assets	(4,86,813)	2,60,72,607
	(Increase)/Decrease in Other Financial Assets	23,73,79,529	(29,90,11,650)
	Increase/(Decrease) in Provisions	22,39,14,033	(8,35,38,681)
	Increase/(Decrease) in current asset - Sundry debtors	(4,68,90,630)	(5,74,84,673)
	Cash generated from operations	2,47,17,76,055	61,31,21,333
	Income Tax Paid	(18,44,198)	1,69,35,792
	Net cash used in operating activities (A)	2,46,99,31,857	63,00,57,125
2	Cash flows from investing activities		
	Purchase of fixed assets	(1,91,34,74,023)	(3,49,62,94,914)
	Interest received	(54,38,714)	(30,317)
	Advances for Projects		
	Investment in Capital Work-in-progress Projects	46,59,51,488	2,49,57,85,387
	Equity Shares		
	Fixed Deposit (net)		
	Net cash used in investing activities (B)	(1,45,29,61,249)	(1,00,05,39,844)
3	Cash flows from financing activities		
	Proceeds from issuance of share capital		
	Interest paid		
	Contribution Received from Shareholders towards Equity		
	Increase/(Decrease) in Other Equity	(1,66,04,94,968)	(1,00,92,99,294.94)
	Increase in Borrowings - Bank Over Draft		
	Net cash used in financing activities (C)	(1,66,04,94,968)	(1,00,92,99,295)
4	Net increase in cash and cash equivalents (A+B+C)	(64,35,24,359)	(1,37,97,82,014)
5	Cash and cash equivalents at beginning of period	2,64,81,27,114	4,02,79,09,128
6	Cash and cash equivalents at end of period	2,00,46,02,755	2,64,81,27,114

For Subrat Das & Co
 Chartered Accountants
 FRN: 319980E

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

Partner
 M. No: 054189

Company Secretary

Chief Finance Officer

Managing Director
 DIN: 10798751

Director
 DIN: 09094053



Bhubaneswar Smart City Limited
 Company Secretary
 Chief Finance Officer
 Managing Director

Part A: Financial Statement of Assets

	Gross Block			Depreciation			Net Block			Residual Value @ 5% of Acquisition Cost	
	Opening Gross Block as on 01.04.2023	Additions during the Year	Deductions during the Year	Closing Gross Block as on 31.03.2024	As at 01.04.2023	Depreciation for the Year	Deduction/ Adjustments	As at 31.03.2024	Net Block as on 31.03.2024		Net Block as on 01.04.2023
Continuation of Statement of Financial Position											
Land (Excluding Lease)	5			5					5	5	
Buildings	1,82,50,57,410	57,46,67,087	-	2,39,95,24,493	5,83,59,46,7	26,07,39,69,00	-	32,80,99,006	2,07,14,25,997	1,76,66,97,943	11,99,79,225
Plant & Machinery	18,48,00,000	-	-	93,45,60,005	18,48,00,000	26,17,13,895,00	-	50,11,52,705	43,32,07,300	79,49,21,155	4,67,28,000
Other Assets	1,60,50,85,672	59,47,17,350	-	2,19,98,73,220	50,21,20,993	23,13,85,199,00	-	73,45,06,192	1,46,53,67,028	1,10,29,64,878	10,09,91,662
Intangible Assets	4,90,85,600	1,04,315	-	4,94,69,935	3,91,16,067	1,09,826,00	-	4,10,35,893	84,44,042	99,69,934	24,73,497
Investments	63,56,24,597	16,01,15,418	-	80,18,50,015	43,14,47,530	15,78,01,587,00	-	58,97,49,517	21,44,00,408	20,41,77,067	4,01,82,501
Financial Investments	42,40,95,754	47,20,11,879	-	89,61,27,433	10,72,45,021	11,64,86,112,00	-	20,39,31,238	68,21,06,200	31,68,50,733	4,46,06,372
Current Assets	29,95,34,205	4,29,35,752	-	44,24,74,037	2,71,09,106	10,76,09,782,00	-	13,47,18,888	30,77,55,149	37,24,29,179	2,21,23,702
Total	5,87,30,47,427	1,85,46,11,615	-	7,72,56,79,143	1,30,50,37,094	1,22,78,46,490,00	-	2,53,26,83,524	5,19,27,99,619	4,56,80,10,194	18,67,03,957

Particulars	Gross Block			Depreciation				Net Block		Residual Value @ 5% of Acquisition Cost
	Opening Gross Block as on 01.04.2023	Additions during the Year	Deductions during the Year	Closing Gross Block as on 31.03.2024	As at 01.04.2023	Depreciation for the Year	Deduction/ Adjustment	As at 31.03.2024	Net Block as on 31.03.2024	
Land (Excluding Lease)	5	-	-	5	-	-	-	-	5	5
Buildings	70,74,46,752	6,08,42,407	-	76,83,41,159	33,91,20,908	14,47,65,607.00	-	48,58,85,998	28,24,55,162	38,04,94,792
Plant & Machinery	70,74,46,752	6,08,42,407	-	76,83,41,159	33,91,20,908	14,47,65,607.00	-	48,58,85,998	28,24,55,162	38,04,94,792
Other Assets	20,74,98,752	6,08,42,407	-	26,83,41,159	33,91,20,908	14,47,65,607.00	-	48,58,85,998	28,24,55,162	38,04,94,792
Intangible Assets	4,90,85,600	1,04,315	-	4,90,85,600	3,91,16,067	1,09,826.00	-	4,10,35,893	84,44,042	99,69,934
Investments	63,56,24,597	16,01,15,418	-	80,18,50,015	43,14,47,530	15,78,01,587.00	-	58,97,49,517	21,44,00,408	20,41,77,067
Financial Investments	42,40,95,754	47,20,11,879	-	89,61,27,433	10,72,45,021	11,64,86,112.00	-	20,39,31,238	68,21,06,200	31,68,50,733
Current Assets	29,95,34,205	4,29,35,752	-	44,24,74,037	2,71,09,106	10,76,09,782.00	-	13,47,18,888	30,77,55,149	37,24,29,179
Total	6,58,05,46,379	1,91,34,34,023	-	8,49,40,26,307	1,64,41,57,431	1,37,46,12,000.00	-	3,01,67,69,524	5,47,52,50,780	4,94,85,05,286

Particulars	Gross Block			Depreciation			Net Block			Residual Value @ 5% of Acquisition Cost
	Opening Gross Block as on 01.04.2022	Additions during the Year	Reductions during the Year	Closing Gross Block as on 31.03.2023	As at 01.04.2022	Depreciation for the Year	Deduction/ Adjustments	As at 31.03.2023	Net Block as on 31.03.2023	
Land (Excluding Lease)	5	-	-	5	-	-	-	-	5	5
Buildings	10,30,24,039	1,72,20,18,172	-	1,82,50,57,410	1,21,08,104	4,62,51,083,00	-	5,83,59,46,7	1,76,66,97,943	3,09,15,554
Plant & Machinery	93,45,60,005	12,18,35,723	-	1,05,63,95,728	27,59,70,365	13,95,38,850,00	-	13,95,38,850	79,49,21,155	4,67,28,000
Other Assets	1,60,50,85,672	59,47,17,350	-	2,19,98,73,220	50,21,20,993	23,13,85,199,00	-	50,21,20,993	1,46,53,67,028	10,09,91,662
Intangible Assets	4,90,85,600	1,04,315	-	4,90,85,600	3,91,16,067	1,09,826,00	-	4,10,35,893	84,44,042	99,69,934
Investments	63,56,24,597	16,01,15,418	-	80,18,50,015	43,14,47,530	15,78,01,587,00	-	58,97,49,517	21,44,00,408	20,41,77,067
Financial Investments	42,40,95,754	47,20,11,879	-	89,61,27,433	10,72,45,021	11,64,86,112,00	-	20,39,31,238	68,21,06,200	31,68,50,733
Current Assets	29,95,34,205	4,29,35,752	-	44,24,74,037	2,71,09,106	10,76,09,782,00	-	13,47,18,888	30,77,55,149	37,24,29,179
Total	2,51,45,27,890	3,84,16,666	-	2,90,01,94,556	1,30,50,37,094	1,22,78,46,490,00	-	2,53,26,83,524	5,19,27,99,619	4,56,80,10,194



NOTE 2

CAPITAL WORK-IN-PROGRESS WITH (AGING Schedule)

Particulars	Opening As at 01.04.2023	Addition during the Year	Total	Capitalization/ Adjustments	Closing As at 31.03.2024
Basic Scheme	-	3,12,64,158.00	3,12,64,158.00	3,12,64,158.00	-
LAKE (UTTERAL)	1,84,081.40	-	1,84,081.40	-	1,84,081.40
MASTER SYSTEM INTEGRATION	19,55,03,246.86	97,71,53,058.76	1,17,26,56,305.62	1,17,26,56,305.62	-
BUS STOP SHELTERS (CWIP)	29,32,18,815.60	-	29,32,18,815.60	29,32,18,815.60	-
CITY SURVEILLANCE SYSTEM (CWIP)	-	11,76,97,825.30	11,76,97,825.30	11,76,97,825.30	-
LAKE ZONE III, DRAIN-10 (CWIP)	-	1,26,61,391.67	1,26,61,391.67	-	1,26,61,391.67
SOUTH SIDE LAKE ZONE-III (CWIP)	-	1,01,09,183.00	1,01,09,183.00	-	1,01,09,183.00
MODERNIZATION OF TRAFFIC POST(CWIP)	-	68,69,016.00	68,69,016.00	68,69,016.00	-
RAJESWAR PROJECT (CWIP)	-	5,24,111.16	5,24,111.16	5,24,111.16	-
MAJOR SAHEED NAGAR	-	57,78,692.00	57,78,692.00	57,78,692.00	-
MAJOR SAHEED NAGAR	-	1,51,61,882.68	1,51,61,882.68	1,51,61,882.68	-
MAJOR SAHEED NAGAR	-	1,17,72,19,318.57	1,66,61,25,462.43	1,64,31,70,806.36	2,29,54,656.07
TOTAL ***	48,89,06,143.86	1,17,72,19,318.57	1,66,61,25,462.43	1,64,31,70,806.36	2,29,54,656.07

(In Rs.)

Particulars	Opening As at 01.04.2022	Addition during the Year	Total	Capitalization/ Adjustments	Closing As at 31.03.2023
RAJESWAR PROJECT	76,40,97,932.12	27,43,40,110.37	1,03,84,38,042.49	1,03,84,38,042.49	-
LAKE (UTTERAL)	1,84,081.40	-	1,84,081.40	-	1,84,081.40
MASTER SYSTEM INTEGRATION	25,46,03,245.54	55,96,91,429.55	81,42,94,675.09	62,26,83,897.23	19,16,10,777.86
BUS STOP SHELTERS (CWIP)	29,32,18,815.60	-	29,32,18,815.60	-	29,32,18,815.60
MODERNIZATION OF TRAFFIC POST(CWIP)	-	38,23,200.00	38,23,200.00	38,23,200.00	-
LAKE (CWIP)	-	82,42,990.00	82,42,990.00	82,42,990.00	-
RAJESWAR PROJECT (CWIP)	-	59,04,644.52	59,04,644.52	59,04,644.52	-
MAJOR SAHEED NAGAR	27,49,24,546.36	1,29,87,231.00	28,79,11,777.36	28,79,11,777.36	-
MAJOR SAHEED NAGAR	40,61,63,958.64	3,63,77,137.54	44,25,41,096.18	44,25,41,096.18	-
MAJOR SAHEED NAGAR	92,20,47,915.26	9,76,25,617.74	1,01,96,73,533.00	1,01,96,73,533.00	-
LAKE (CWIP)	5,56,30,647.00	-	5,56,30,647.00	5,56,30,647.00	-
MAJOR SAHEED NAGAR (CWIP)	-	8,87,663.11	8,87,663.11	8,87,663.11	-
MAJOR SAHEED NAGAR (CWIP)	99,27,920.40	-	99,27,920.40	99,27,920.40	-
TOTAL	2,98,07,99,062.32	99,98,80,023.83	3,98,06,79,086.15	3,49,56,65,411.29	48,50,13,674.86

(In Rs.)

(b) In consequence to the transfer of credit balance of Master System Integration CWIP for Rs.38,92,469/- to Current Liabilities, the opening balance of Master System Integration CWIP for the current financial year has been restated.

(iii) Out of the total CWIP, Rs.164,31,70,806.36/- has been recognised as asset during current financial year.



7 Cash & Cash Equivalents

Particulars	As at 31st March, 2024	As at March 31st, 2023
A) Current Cash and bank balances		
(a) Unrestricted Balances with banks	55,51,38,000	1,29,15,00,313
(b) Cheques, drafts on hand -		
(c) Cash in hand -		
(d) Balances with banks in deposit accounts with original maturity of less than 3 months (ICICI Bank)		
Cash and Cash equivalent as per balance sheet	55,51,38,000	1,29,15,00,313
B) Other Bank Balances		
(a) Balances with banks in deposit accounts with original maturity more than 3 months	1,44,94,74,755	1,35,66,26,801.00
Total Other Bank Balances	1,44,94,74,755	1,35,66,26,801
TOTAL	2,00,46,02,755	2,64,81,27,114

8 Equity Share Capital

Equity Share Capital	As at 31st March, 2024	As at March 31st, 2023
	Amount	Amount
Authorized:		
Equity shares of Rs 100 each with voting rights	5,00,00,00,000	5,00,00,00,000
Issued, Subscribed and Fully Paid:		
Equity shares of Rs 100 each with voting rights	2,50,00,00,000	2,50,00,00,000

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

	No. of Shares	As at March 31st, 2023
	No. of Shares	% holding in that class of shares
Equity shares with voting rights		
Housing & Urban Development Department, Govt. of Odisha	1,12,50,000	45%
Bhubaneswar Municipal Corporation (BMC)	1,12,50,000	45%
Bhubaneswar Development Authority (BDA)	25,00,000	10%
Percentage	2,50,00,000	100%

9 OTHER EQUITY

Reserves and Surplus

	As at 31st March, 2024	As at March 31st, 2023
	Amount	Amount
i) Capital Reserve		
Opening Balance	5,60,34,41,680	6,65,65,18,569
Add: Capital Grant Reserve		
Less: Deferred Income - Capital Grant (CAPEX)	(1,37,01,27,318)	(91,14,38,827)
Less: Deferred Income - Capital Grant (OPEX)	(26,64,50,288)	
Less: Transfer to Revenue Grant Reserve		(10,50,00,000)
Interest on Smart City Mission Grant Fund		(3,66,38,062)
Balance at the end of the reporting period - March 31st 2022	3,96,68,64,074	5,60,34,41,680



	As at 31st March ,2024	As at March 31st,2023
	Amount	Amount
ii) Revenue Grant Reserve		
Opening Balance	24,82,77,594	20,45,00,000.00
Add: Revenue Reserve	-	10,50,00,000.00
Less : H&UD Grant A&OE	(2,39,17,362)	(6,12,22,406.00)
	22,43,60,232	24,82,77,594

	As at 31st March ,2024	As at March 31st,2023
iii) Retained Earnings		
Opening Balance	(1,65,22,98,905)	(95,45,15,720)
Transfer to retained earnings	(14,30,88,729)	(69,77,83,185)
Balance at the end of the reporting period - March 31st 2024	(1,79,53,87,634)	(1,65,22,98,905)

TOTAL (i)+(ii)+(iii)	2,39,58,36,672	4,19,94,20,369
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OTHER FINANCIAL LIABILITIES

10(A) Other Financial Liabilities -Non Current

Particular	As at 31st March ,2024	As at March 31st,2023
(i) Security Deposit-Contractors	7,52,26,872	8,68,41,326
(ii) Provision for Supply and Installation Cost (ATSC)	35,32,710	58,87,850
(iii) Provision for City Surveillance II	4,62,38,431	-
(iv) Provision for ICONIC Traffic Post	32,05,541	-
(v) Provision for MSI Expenses (CAPEX 15%)	77,88,00,000	-
TOTAL	90,70,03,554	9,27,29,176

10(B) Other Financial Liabilities - Current

Particular	As at 31st March ,2024	As at March 31st,2023
(i) Earnest Money Deposits (EMD) Collected	59,39,567	62,25,536
TOTAL	59,39,567	62,25,536

11 Trade Payables and Other Payables

Particular	As at 31st March ,2024	As at March 31st,2023
(i) Total outstanding dues of creditors other than micro enterprises and small enterprises		
a) UNFPA	68,425	1,48,566
b) Trade Payable for Services	3,76,12,576	12,11,44,304
TOTAL	3,76,81,001	12,12,92,870



Trade Payable Aging Schedule - 2022-23

Particulars	Outstanding for following periods from due date of Payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	91,17,672.33	1,34,37,805.00	1,45,524.00	1,59,80,000.00	3,76,81,001
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

Trade Payable Aging Schedule - 2022-23

Particulars	Outstanding for following periods from due date of Payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	10,15,05,732.00	1,42,524.00	20,69,757.00	1,59,80,000.00	12,36,98,013
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

OTHER LIABILITIES

12(A) Other Liabilities - Non Current

Particulars	As at 31st March, 2024	As at March 31st, 2023
Grants Received from Ouhbt, GoG (Social Equity centre)	4,13,79,591	4,35,12,747
Grants Received from BMC	13,00,00,000	13,00,00,000
CITIS-Grants (Deferred Income)	6,85,23,711	7,07,55,717
Grant in Kind (Land for Projects) from GoG and Local Authorities at Nominal Cost of Rs 1/-	5	5
Grant from Sports Department	1,14,600	76,22,732
Grant from WATCO, Bhubaneswar	25,32,833	25,32,833
Deferred O&M Expense Liability	1,65,48,05,237	27,82,00,000
TOTAL	1,89,53,55,978	53,26,24,035

Notes:-

(i) The Grants from the CITIS 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 CITIS 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 CITIS Grants is proportionately added to the respective participants Share of Grants.

(ii) Grant received from BMC & WATCO Bhubaneswar are in specific in purpose and it will be adjusted at the time of U/C/Bill submitted against that specific purpose project.

12(B) Other Liabilities - Current

Particulars	As at 31st March, 2024	As at March 31st, 2023
(i) Statutory Dues Payable (Refer Annexure A)	20,85,214	67,62,446
(ii) GST Payable	2,80,20,771	20,83,248
TOTAL	2,90,55,985	88,45,694

13 Provisions

Particulars	As at 31st March, 2024	As at March 31st, 2023
(i) Provisions for Office Rent	-	53,33,218.00
(ii) Provisions for Salary & Wages & Retainership fees	(31,917)	11,62,396
(iii) Provision for Repayment of Interest on Mission Fund	17,16,94,872	5,27,71,984
(iv) Provision for MSI Expenses (O&M)	9,40,78,649	-
(v) Provision for Services	1,28,76,439	50,67,220
(vi) Consultant Exp. (Professional Service)	90,000	-
(vii) Provision for Payment of Rack Rent	1,58,52,960	82,39,651
(viii) Statutory Audit Fees	1,00,000	2,00,000
(ix) Tax Audit Fees	27,500	-
TOTAL	25,60,85,502	7,27,74,469



Annexure A : Statutory Dues Payable

Particulars	As at 31st March, 2024	As at March 31st, 2023
CPF SUBSCRIPTION	13,190	11,686
GPF SUBSCRIPTION	15,000	42,000
Labour Cess @ 1%	1,74,009	35,25,281
LIC	5,898	10,658
NPS SUBSCRIPTION	(56,379)	(26,439)
PROFESSION TAX	1,100	2,300
QTR RENT	2,712	904
ROYALTY	1,59,358	734
TDS CGST	5,38,639	(11,886)
TDS IGST	(36,939)	-
TDS SGST	5,38,635	(11,890)
TDS U/s 192A (Salary)	1,38,083	1,16,000
TDS U/s 194C (Contract)	4,82,000	30,71,189
TDS U/s 194J (Professional)	59,500	31,500
WATER & SEWERAGE CHARGES	409	409
TOTAL	20,35,214	67,62,446



Revenue From Operations

Particulars	For the Period from April 01, 2023 to March 31, 2024	For the Period from April 01, 2021 to March 31, 2023
Leasing of Dark Fiber	1,02,84,080	26,73,072
Leasing of Duct	-	1,02,67,728
Parking Fees Collection	66,73,064	-
License Fees	38,55,979	95,41,900
NOC For MAINTENANCE & REHABILITATION WORK	15,08,150	7,70,000
RENT	5,68,38,037	1,86,11,732
Restoration Charges	23,93,209	45,78,614
Telecast of Video	40,740	2,51,280
Video Presentation	17,57,420	18,00,694
Advertisement	1,84,15,583	1,43,86,780
	10,17,66,260	7,28,87,801

15 Other Income

Particulars	For the Period from April 01, 2023 to March 31, 2024	For the Period from April 01, 2021 to March 31, 2023
(a) BSCL Misc. Project Grants		
(i) Unifa Grant	-	23,21,401
(ii) H & UD-Grant- A & OE	2,39,17,362	6,12,22,405
(iii) CITIS Grant- Deferred Income	42,32,006	7,59,248
(iv) Deferred Income- Capital Grants (CAPEX)	1,37,22,60,474	91,29,51,366
(v) Deferred Income- Capital Grants (OPEX)	26,64,50,288	-
(vi) WATCO Grant	-	2,16,11,387
(vii) Deferred Income - Sports Dept. Grant	75,08,132	-
* As per Ind AS -20- grants should be recognised on a systematic basis in profit or loss, over the period for which the company recognises as expenses, the related costs for which the grants are intended to compensate.		
** Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet :- by setting up the grant as deferred income which is recognised as income on a systematic and rational basis over the useful life of the asset- as per the depreciation calculation.		
	-	-
	1,67,43,68,262	99,88,65,808
(b) Income Other than Grants		
(i) FDR-Interest Received- IDBI	54,38,714	30,317
(ii) Interest -Income Tax Refund	6,80,273	13,89,713
(iii) Bid Processing Fee	2,49,415	5,75,034
(iv) Electricity Reimbursement	60,51,480	-
(v) Operation and Maintenance (CFMS) Reimbursement	78,10,635	-
	2,02,30,516	19,95,064
(c) Net Gain/(Loss) on Financial Assets Designated as at FVTPL		
(i) Share from Investee Company's Profit & Loss FVTPL	-	-
	-	-
(d) MISC Income		
(i) Discount	500	-
(ii) Penalty/Recoveries from Vendors	-	4,67,497
(iii) Penalty & Liquidated Damages (SLA)	1,53,412	1,22,774
(iv) Reward from Competition	3,00,000	-
	4,53,912	5,90,271
Total Other Income a+b+c+d	1,69,50,52,690	1,00,14,51,143

Notes: As per IndAS the proportionate amount of depreciation of Rs.1,37,22,60,474/- on those fixed assets created out of the Grants have been recognised as Deferred Income



Particulars	For the Period from April 01, 2023 to March 31, 2024	For the Period from April 01, 2022 to March 31, 2023
(i) Basic Pay	51,43,931	64,41,623
(ii) House Rent Allowances	13,14,201	3,00,767
(iii) Conveyance Charges	(50,350)	(61,150)
(iv) Dearness Allowances	22,37,816	23,71,093
(v) Cafeteria Allowances	1,57,388	2,00,720
(vi) Conveyance Allowances	45,000	65,179
(vii) Medical Allowances	2,04,833	3,05,755
(viii) BSCL Contribution (NPS, CPF, EDLI & RPFCL)	5,17,641	3,95,464
(ix) Leave Salary & Pension Contribution	12,52,986	33,58,773
(x) Arrear Incremental Pay & Allowances	2,12,405	9,03,283
Total Employee Benefits Expenses	1,10,35,851	1,42,81,508

17 Finance Cost

Particulars	For the Period from April 01, 2023 to March 31, 2024	For the Period from April 01, 2021 to March 31, 2023
(i) Finance Cost	-	-
Interest on Lease Obligation	-	-
Total Finance costs	-	-

18 Other Expenses

Particulars	For the Period from April 01, 2023 to March 31, 2024	For the Period from April 01, 2021 to March 31, 2023
(a) Project cost :Unfpa Smart City Awareness Expenses		
(i) Installation & Configuration Expenses	-	-
(ii) Programme Management Support	(80,140)	8,47,515
(iii) Youth Connect Programme	-	2,80,500
(iv) Resource & Communication Material	-	-
(v) Safety & Security of Women	2,52,000	3,36,000
(vi) UNFPA/BSCL Contingency	-	97,088
(vii) Citizen Connect Programme	-	-
(viii) INDO9PDS Programme Management & youth Engagement support	-	29,83,771
(c) Operating Expenses:		
(i) PgMC Consultancy Expenses	1,93,08,314	1,01,94,878
(ii) Retainership Fees	5,29,167	12,56,909
(iii) PFMS Operative & Maintenance	2,00,04,109	31,75,456
(iv) Operation & Maintenance	92,50,327	2,92,675
(v) Operation and Maintenance Exp. (ATSC)	76,24,085	61,39,941
(vi) Operation & Maintenance MSI	24,25,62,269	4,74,21,336
(vii) Sensory Park O & M Expenses	30,35,066	-
(viii) Smart Janapath Operation & Maintenance	2,38,88,019	-
(ix) Smart Park Misc Expenses	17,64,794	-
(xii) Enforcement Activity Expenses	-	3,91,307
(xiii) WATCO Pump Station	-	2,16,11,387
(xiv) Eat Right Campus	-	1,01,695
(xv) Preparatory Hockey World Cup	-	3,75,000
(xvi) Recovery of Rack Rent	2,02,94,908	-
(d) Administrative and Other Expenses:		
(i) Office Management Expenses	9,58,476	9,14,727
(ii) Office Rent	-	77,87,156
(iii) Statutory Audit Fees	1,00,000	1,41,000
(iv) Tax Audit Fees	27,500	-
(v) Advertisement Expenses	5,79,256	4,13,955
(vi) Company Welfare Expenses	-	-
(vii) Common Area Maintenance Charges	5,94,020	8,63,311



(e) Vehicle Hiring & Maintenance Charges		
(i) Vehicle Hiring & Maintenance Charges	17,28,888	17,28,888
(ii) Fuel Charges	17,20,565	17,20,565
(f) Project Management Cost		
(i) BUKC & Project Expenses (CITIIS)	1,17,49,799	7,59,249
(ii) Monitoring & Supervision Expenses	-	-
(iii) Learning & Capacity Building Expenses	-	8,21,966
(iv) Uninstall & Reinstallation	-	-
(g) Miscellaneous Expenses		
(i) Computer Peripheral Expenses	-	-
(ii) CGST RCM	5,39,163	1,351
(iii) SGST RCM	5,39,163	1,351
(iv) Sitting Fees	1,05,000	1,03,500
(v) Legal & Professional Service	11,94,285	7,73,700
(vi) Internship fees	-	2,98,755
(vii) Service Provider Charges	78,48,832	1,05,91,344
(viii) Internet Charges	27,91,875	19,37,708
(ix) Electricity Expenses	2,94,35,390	1,84,11,429
(x) Rent of P&M Expenses	29,76,000	-
(xi) Security Charges	1,400	-
(xii) Printing & Stationary	12,22,532	9,43,720
(xiii) Service and Connection Charges	2,800	-
(xiv) Telephone Expenses	51,229	29,503
(xv) Repair & Maintenance	4,22,519	6,72,568
(xvi) Annual maintenance charges	-	91,800
(xvii) Insurance Premium	-	2,06,780
(xviii) Bank Charges	655	10,866
(xix) Video presentation Charges	-	13,75,000
(xx) Travelling Expenses	5,01,889	1,14,658
(xxi) Water Rent	1,792	-
	41,35,22,625	14,71,00,069



BILBAWASWAR SMART CITY LIMITED

Statement of Changes in Equity for the year 21.03.2024

In Rs.

A. Equity Share Capital:

Particulars	Balance as at 31st March, 2023	Changes in equity share capital	Balance as at 31st March, 2024
Issued shares of Rs. 100/- each	2,50,00,00,000	-	2,50,00,00,000

B. Other Equity

Particulars	General reserve	RESERVES AND SURPLUS		Total
		Retained earnings	Capital Reserve	
Balance at April 1, 2021	-	-	5,39,35,72,978	4,69,84,49,550.33
Transferred to the year	-	-75,51,23,428	-	(75,51,23,428)
Capital Reserve (Grants received towards Capital layout from Govt.)	-	-19,93,92,292	1,74,00,03,000	1,74,00,00,000.00
Revenue Reserve (Grants received towards Revenue layout from Govt.)	-	-	-	20,45,00,000.00
Grants for Change for Award	-	-	1,00,00,000.00	1,00,00,000.00
Changes during the year	-	-	-43,72,30,184	(43,72,30,184)
Interest on Smart City Mission Grant Fund - II	-	-	8,91,86,067	8,91,86,067.00
Interest on Moch. Advance - II	-	-	1,09,95,707	1,09,95,707.00
Interest on Smart City Mission Grant Fund (Provision Made for T/F to MOCHUA)	-	-	(15,00,00,000)	(15,00,00,000.00)
Balance at March 31, 2022	-	-95,45,15,720	6,05,65,18,569	5,00,65,02,848.35
Balance at April 1, 2022	-	-95,45,15,720	6,05,65,18,569	5,00,65,02,848.35
Transferred to the year	-	-69,77,83,185	-	(69,77,83,184.52)
Grant transfer to Revenue Reserve	-	-	-10,50,00,000	10,50,00,000.00
Changes during the year	-	-	-91,14,38,827	(91,14,38,827.24)
Interest on Smart City Mission Grant Fund - II	-	-	10,83,33,923	10,83,33,923.00
Interest on Moch. Advance - II	-	-	-	-
Interest on Smart City Mission Grant Fund (Provision Made for T/F to MOCHUA)	-	-	-14,47,71,964	(14,47,71,964.00)
Balance at March 31, 2023	-	-1,55,22,58,905	5,60,34,41,680	4,36,56,42,775.59
Balance at April 1, 2023	-	-1,55,22,58,905	5,60,34,41,680	4,36,56,42,775.59
Transferred to the year	-	-14,30,28,729	-	(14,30,28,729.18)
Grant transfer to Revenue Reserve	-	-	-	-
Changes during the year	-	-	-	-
Interest on Smart City Mission Grant Fund - II	-	-	(1,63,65,77,606)	(1,63,65,77,606.06)
Interest on Smart City Mission Grant Fund (Provision Made for T/F to MOCHUA)	-	-	14,53,08,880	14,53,08,879.59
Balance at March 31, 2024	-	-1,79,53,87,634	8,98,08,66,074	2,50,55,76,440.34
			22,43,60,232	2,50,55,76,440.34

Spec. out ANDRA Gulchline A & OE is 5 % of total grant received. As on 31/03/2022 BSCL has received Rs 990 Crores as SCM fund. Out of total SCM fund of Rs 990 crores, Rs 49.50 crores (5%) has been received towards A & OE grants. BSCL has already booked as revenue for Rs 11.99 crores till the FY 2020-2021 and Rs 17.25 crores during the period FY 2021-2022. Balance of A & OE fund amount Rs 20.45 crores was transferred to A & OE Revenue Reserve. Subsequently, during the current period BSCL has transferred Rs.10.50 crores to A & OE Revenue Reserve Grant pertaining to 7% share received from State Govt. During the FY2022-23 an amount of Rs.6.12 Cr. has been booked as revenue out of the Revenue Reserve Grant on the basis of revenue expenditure incurred and hence transferred to Profit & Loss Statement. During the FY 2023-24 Rs.2.58 crore has been booked as revenue out of the Revenue Reserve Grant on the basis of revenue expenditure incurred and hence, transferred to Profit & Loss Statement.

(i) Interest being generated during FY 2023-24 from the Unspent capital Grants has been added to the Capital Grants.

(ii) Unspent Income has been recognized on the capitalization of BANC-HQMAC Tower, MLCP-Sahed Nagar, MLCP-Bajaji Nagar, Smart Jampath, JPS-C-Unit II, Senoory Park and Part Operational system of RPS.



Computation Income Under Normal Provisions of IT Act for the F.Y. 2023-24

	Amount (Rs.)	Amount (Rs.)
Net profit as per P/L account		(23,51,616)
Add:		
Dep under Co act	1,37,46,12,090	
Less: Adjustment of Depreciation on assets created out of Grants	(1,37,22,60,474)	
Inadmissible Expense		
Prior Period Expenses	-	
Interest on TDS	-	
Unamortised portion of A&OE grant received during the year (ICDS VII)	-	
Disallowance u/s 43B	-	
		23,51,616
Less:		
Dep under IT act	28,33,569	
Allowable Expense u/s 43B		
1/5th of Preliminary Expenses (5th year)	-	
IND -AS Adjustments		
Int Income on FV of Security Deposit Office	-	
Amortisation FV of Security Deposit Office Rent	-	
Interest on Lease Obligation	-	
		28,33,569
Income from business & profession		(28,33,569)
Less: Set off of Cfd loss/unabsorbed depreciation u/s 72		-
Add: Income from other sources		-
Gross Total Income		(28,33,569)
Less: Deduction under Chap-VIA		-
Total Income		(28,33,569)
Less: Brought forward Losses		-
Taxable Income		(28,33,569)
Income Tax		-
Surcharge		-
Education Cess & Higher Secondary Education Cess		-
Total Tax Payable		-
Interest Payable		-
Total Tax & Interest Payable		-
Advance Tax Paid	-	
TDS	1,47,73,995	
Total Tax Paid		1,47,73,995
Balance Tax Refundable		1,47,73,995



Bhubaneswar Smart City Limited

Notes forming part of the financial statements

For the year 2023-24

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, 2024 have been approved and authenticated by the Board of Directors on its ^{xxxxxx} meeting held on ^{xxx} December, 2024

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 Material 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

The Company has ascertained its operating cycle as twelve months for the purpose 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 realize 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,



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 recognized in the balance sheet at cost and adjusted thereafter to recognize 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 recognized 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 recognize 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 recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal is recognized 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 amortization and accumulated impairment losses, if any. Intangible assets having finite useful life are amortized on WDV over their estimated useful lives. The estimated useful life and



amortization 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 De-recognition 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 de-recognition 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 recognized 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 recognized 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 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. Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefit is probable.

3.14 Leases (IndAS-116)

The company has elected not to apply the requirement 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 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.

3.15.1 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.

3.16 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.

3.17 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.

3.18 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.

3.19 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.



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.

3.21 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 recognized as an impairment gain or loss in the statement of profit and loss.

3.22 De-recognition of financial liability

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

3.23 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 recognized amounts and there is an intention to settle on a net basis or realize 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.

3.24 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 recognized in the statement of profit and loss on a systematic basis over the periods in which the Company recognizes 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.

3.25 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.

3.26 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

3.26.1 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.

3.26.2 Income from dividend and Interest

a) Dividend:

Dividends income from investments is recognized when the right to receive the dividend is established.

b) Interest:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time 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.

3.26.3 Other Income

Revenue from rentals and operating leases is recognized 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 realization /acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

Insurance claims are accounted for based on certainty of realization.

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

3.27 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 recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity.



respectively.

3.27.1 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.

3.27.2 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.

3.28 Employee benefits

3.28.1 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.

3.28.2 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.

3.29 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.

3.30 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.

3.31 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.

3.32 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.

3.33 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 the 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.

3.34 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.

3.35 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

3.36 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.

3.37 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

3.38 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.

3.39 Environmental liabilities

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

3.40 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 recognized 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 amortized 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



021A of 110-Aa 101 is determinator 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 Vijay Amruta Kulange, Chief Executive Officer	Key Managerial Personnel
Shri Madan Singh, Chief Financial Officer	Key Managerial Personnel
Shri Priya Brata Nayak, Company Secretary	Key Managerial Personnel
Shri Akhandala Tripathy, Company Secretary I/c	Key Managerial Personnel

II. Transactions with related parties during the period:

Particulars	As at March 31, 2024 (In Rs)	As at March 31, 2023 (In Rs)
Bhubaneswar Development Authority for BUKC	31,64,000/-	5,00,00,000/-
Bhubaneswar Municipal Corporation	1,91,91,548/-	69,61,988/-
CRUT	Nil	Nil
Remuneration to Key Managerial Personnel		
1) Short Term Employee Benefits:		
Shri Vijaya Amruta Kulange, CEO	Nil	Nil
Shri Madan Singh, CFO	7,38,294	7,38,294
Shri Priya Brata Nayak, Company Secretary (Till 09.02.2024)	Nil	Nil
Shri Akhandala Tripathy, Company Secretary I/c (w.e.f. 09.02.2024)	1,71,482/-	Nil

III. Outstanding Balances:



Particulars	As at March 31, 2024 (In Rs)	As at March 31, 2023 (In Rs)
Receivable		
Bhubaneswar Development Authority	5,40,50,780.86/-	4,39,34,217.86/-
Bhubaneswar Municipal Corporation	1,36,35,855/-	Nil
Payable		
Bhubaneswar Municipal Corporation	1,64,91,993/-	1,59,80,000/-
Bhubaneswar Development Authority for BUKC	Nil	Nil

NOTE -5

Earning per share (EPS)

Particulars	As at March 31, 2024 In Rs.	As at March 31, 2023 in Rs.
Net profit available for equity share holders	(14,30,88,729)	(69,77,83,185)
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	(5.72)	(27.91)
Weighted average number of equity shares for Diluted EPS	2,50,00,000	2,50,00,000
Diluted EPS	(5.72)	(27.91)

NOTE - 6

Contingent Liabilities and Commitments

There are no contingent liabilities as at March 31, 2024. 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 (Incl. GST)	Total Expenditure Incurred (Incl. Escalation & GST) upto 31.03.2024	Balance Amount of Un- Executed Work as on March 31, 2024
	Rs. In Crore	Rs. In Crore	Rs. In Crore
ATSC	14.70	12.66	2.03
BMC ICOMC	85.21	84.31	0.90
IPSC (Saheed Nagar)	3.56	3.56	0.00
LAKE NEUTRAL	50.95	0.01	50.94
MASTER SYSTEM INTEGRATION	689.95	484.06	205.89
MLCP-SAHEED NAGAR	31.34	31.34	0.00
MLCP-UNIT-II	46.04	46.04	0.00
SMART JANPATH	103.68	103.45	0.23
SAMRT PARK- SAHEED NAGAR	2.25	2.25	0.00
SOCIAL EQUITY CENTER	6.12	6.12	0.00
IPSC, BAPUJI NAGAR	5.66	5.66	0.00
SENSORY PARK	1.20	0.99	0.21
BUS QUE SHELTERS	29.32	29.32	0.00
CITY SURVEILLANCE SYSTEM	17.57	11.77	5.80
SOUTH SIDE LAKE ZONE - III	11.00	2.28	8.72

1. All above figures are inclusive of Taxes
2. In absence of certified value of unexecuted work as on 31st March 2024, 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 regard, 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 re-casted 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.



vi) 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 31.03.2023 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 2022-23.

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



Invited by BSCL has been taken as base rate for discounting over the period of 1999.

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 Multilavel 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

NOTE-14

Plant, Property and Equipment: Modernization of Traffic Post

The Plant, property & Equipment relating to ICONIC Traffic Post under Modernization of Traffic Post Project supplied and installed by Deffyer Transmission Pvt. Ltd. has been completed and used. As asset is already completed and used, the residual quarterly instalment (20 nos.) value



towards Supply and installation cost of Rs. 13,73,803/- payable to Delfer Transmission Pvt. Ltd. after 31st March, 2024 has been capitalized during the FY 2023-24 and the same has been provisioned for future payments and disclosed in the Balance Sheet under the head Non-Current Liability (Note No. 10A).

NOTE-15

Plant, Property and Equipment: City Surveillance System - II

The Plant, property & Equipment relating to City Surveillance System - II Project supplied and installed by Telecommunication Consultants India Ltd. has been completed and used. As asset is already completed and used, the residual quarterly installment (24 nos.) value towards Supply and installation cost of Rs.1,76,54,674/- payable to Telecommunication Consultants India Ltd. after 31st March, 2024 has been capitalized during the FY 2023-24 and the same has been provisioned for future payments and disclosed in the Balance Sheet under the head Non-Current Liability (Note No. 10A).

NOTE-16

Management Estimate on Useful Life of Asset

Based on the technical estimate of the management the useful life of the following Assets has been determined as below;

SL. NO.	PARTICULARS OF ASSETS	USEFUL LIFE OF ASSET
1.	BUS QUE SHELTER – BUILDING (OTHERS)	10 Years
2.	ICONIC TRAFFIC POST – BUILDING (OTHERS)	5 Years
3.	DRING FROM TAP PROJECT – BUILDING (OTHERS)	10 Years

NOTE-17

Adjustment of Deferred Asset for O&M Expenses

As per the letter received from Ministry of Housing & Urban Affairs Smart Cities Mission, Govt. of India vide letter no. K-14012/101(03)/2022-SC-Desk (IV) dtd. 19th January, 2022, the company created an Asset called "Deferred O&M Expenses" in the Balance Sheet under the head Non-Current Assets (Note No. 6A). And, also created "Deferred O&M Expenses liability"



in the Balance Sheet under the head Non-Current Liability (Note No. 12A) relating to O&M expenses beyond the Mission period (April 2023 to June 2024).

Consequently, the difference between the Deferred O&M Expense Asset created during the previous year based on the liability until the end of the Mission period instead of the actual contractual obligation against such O&M Expenses until the end of contract period amounting to Rs.165. crores have been accounting for during the year.

Considering the actual expenditures incurred towards Operation & Maintenance of the SCM Projects during the year amounting to Rs.27.88 Crores, consequential reversal has been made from the "Deferred O&M Expenses" Asset created and its corresponding "Deferred O&M Expenses Liability". (Refer Note No. 12A).

For Subrat Das & Co.
Chartered Accountants
ERN: 319080E



Partner
M. No: 054189
Date:
Place: Bhubaneswar

Company Secretary
Bhubaneswar Smart City Limited

Company Secretary

Chief Financial Officer

CHIEF FINANCIAL OFFICER
Bhubaneswar Smart City Limited
Bhubaneswar

Managing Director
Din:

Director
Din:

Managing Director
Bhubaneswar Smart City Limited

SUBRATA DAS & CO.,
CHARTERED ACCOUNTANTS

S.K.Das

B.Com. LL.B. F.C.A. DISA



Off.Cum Res. 2362293

N-5/469, I.R.C. Village,

Nayapalli, Bhubaneswar

Cell.Ph.9437229866

Independent Auditor's Report

To

The Members of

BHUBANESWAR SMART CITY LIMITED

Report on the Ind AS Financial Statements

We have audited the financial statements of **BHUBANESWAR SMART CITY LIMITED**(Company), which comprise the balance sheet as at **31st March 2024**, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2024**, and its financial performance, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key Audit matters are those matters that, in our professional judgement, were of utmost significance in our audit of the Ind AS financial statements for the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report on this regard.

Information other than the Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting



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

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls (for those who has IFCs) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. But not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls (if IFCs not applicable)

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate in the "Annexure-B" on the direction issued by C & AG of India.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, the company is exempt from getting an audit opinion on internal financial control.

Or

With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and operating effectiveness of such controls are given in separate Annexure-B



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

(1) The Company has disclosed details regarding pending litigations in note 28 of financial statements, which would impact its financial position.

(2) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

(4) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility, and the same was enabled throughout the year for all relevant transactions recorded in the software.

(5) The Company has not convened Board Meeting for the quarter ending June & September 2023, & quarter ending March 2024. Also, AOC-4, MGT-7, MGT-14, INC-22 & XBRL are not filed with ROC for FY; 2023-24 till date.

4. As required by Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure-C" a statement on the matters specified in paragraph 2 and 4 of the Order.

For SUBRATA DAS & CO

Chartered Accountants

Firm's Registration No: 319080E

S.K DAS

Partner

Membership No: 054189



Place: BHUBANESWAR

Date: 07-04-2025

"Annexure A" to the Independent Auditor's report of even date on the standalone financial statements of BHUBANESWAR SMART CITY LIMITED

1. Continuing noncompliance statutory audit observation of previous financial years

- a) Bill amount of Rs. 3,05,57,304 including applicable taxes and suites recorded in the books of accounts under MSI project expenses on dated 24/04/2020 against 10th RA bill dated 06/02/2020 submitted by Honeywell Automation India Ltd towards installation, system acceptance & subsequent milestone of 160 Nos. of OBU'S (On Board Unit) in CRUT bus. On our verification we found that the OBU'S still not installed in CRUT bus till the date of completion of our audit but payment of Rs. 3,05,57,304 has already been made to contactor towards installation, system acceptance & subsequent milestone of 160 Nos of OBU'S. As explained to us that the bus was not available & the same has been paid on approval of board in 14th board meeting dated 02/11/2019 vide item no-17/14. But in the board meeting has not fixed any time limit for availability of bus and installation of OBU'S. The material i.e., OBU'S was lying with the contactor & the company has already been paid for supply cost of OBU'S in previous financial years. The Company vide its management representation letter dated 26/12/2023 claims as follows.

"The corporation had entered into an agreement with Honeywell Automation India Limited towards supply/ installation/ system acceptance of 160 units of OBU's of CRUT Bus. The Corporation has received the entire 160 units of OBU's and payment towards supply has already been released against the supply. 30 units have already been installed (Installation certified by CRUT) and 130 units are still in our store waiting for installation. The supply & its payment are in line with the contract with Honeywell Automation India Limited....."

The above facts could not be verified as on the date of our audit.

- b) During the year under audit we found that the company has paid a sum of Rs. 1,55,04,785 on dated 28/10/2020 for various project under "I am BBSR initiative exp" to BDA without having any supporting bills, vouchers& utilization certificates. The same has been booked as revenue expense in the books of accounts under the head operating expenses. We are yet to receive any input to rely upon to comment on the expenses of the relevant previous year.



2. During the year under audit, we found that total amount of Rs. 25,00,00,000 paid to WATCO during the FY: 2022-23 (Rs. 10,00,00,000/- on dated 26/04/2022 and Rs. 15,00,00,000/- on dated 02/02/2023) for "DRINK FROM TAP" project. Above said amount paid to WATCO during the FY: 2022-23 disclosed under Loan and Advance to WATCO under the head Current Assets of Balance Sheet vide management representation letter dated 26/12/2023 company provided an agreement dated 04/05/2022 which precedes the date of first payment made. i.e., Rs. 10,00,000/- dated 26.04.2022. Further, there is no record for expense or utilization certificate from WATCO were available for our verification. Further, vide management reorientation letter dated 26/12/2023 we are receipt of certificate of utilization of with regard subsequent disbursement, i.e., Rs. 15,00,00,000/- from WATCO signed under the signature of Chartered Accountant. The initial disbursement of Rs. 10,00,00,000/- could not be verified till date of Audit.
3. During the year under audit, we found that an amount of Rs. 5,00,00,000/- paid to BDA on dated 03/03/2023 during the FY: 2022-23 for execution of 8 no's of "Smart Park" under CITIIS project. The same amount booked as advance to BDA under the head Current Assets of Balance Sheet. Further there is no utilization certificate certified by the Chartered Accountant received from BDA till the date of completion of audit for the above said amount expended by the BDA. Therefore, in the absence of utilization certificate & other supporting bills & vouchers we are unable to comment on the justification of financial transactions made with BDA.
4. During the year under audit, we found that under Smart City Mission grant fund Bhubaneswar Smart City limited expended of Rs. 1,03,84,38,042/- towards construction and interior of 12 floor & basement of BMC/ ICOMC Tower and the same has been completed and used during the FY: 2022-23. Out of which 4 floors (LG floor, UG floor, 3rd floor & 4th floor) occupied and used by Bhubaneswar Municipal Corporation without any monetary value to Bhubaneswar Smart City Limited. Further Electricity and maintenance charge related to above 4 floors used by the Bhubaneswar Municipal Corporation paid by the company and booked as A & OE expense in the books of accounts. Hence A & OE expense has been overstated to the extent of electricity and



maintenance charges related to above 4 floors used by the BMC. Management of Bhubaneswar Smart City Limited should take necessary step to recovery the rent, Electricity & maintenance charges from BMC against occupied & used by BMC.

5. During the year audit, we observed that the total ITC balance as on 31/03/2024 as per GST Credit ledger in GSTIN portal is not reconciled with the books of accounts. Therefore, we are unable to comment on the effects of non-reconciliation of GST input on the financial statements of the company.
6. The GST amount paid on various invoices of vendors, with respect to projects and other expenses need to be reconciled with the corresponding form GSTR-2A/ GSTR-2B of the company available through GSIN portal. At present the company has not reconciled the same to assure the amount paid as taxes, actually being deposited with the concerned authority.

For SUBRATA DAS & CO

Chartered Accountants

Firm's Registration No: 319080E



S.K DAS

Partner

Membership No: 054189



Place: BHUBANESWAR

Date: 07-04-2025

ANNEXURE "B" to the Independent Auditor's Report of even dated on the standalone financial statements of BHUBANESWAR SMART CITY LIMITED

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

We have audited the internal financial controls over financial reporting of BHUBANESWAR SMART CITY LIMITED("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness



exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SUBRATA DAS & CO

Chartered Accountants

Firm's Registration No: 319080E



S.K DAS

Partner

Membership No: 054189



Place: BHUBANESWAR

Date: 07-04-2025

Annexure-C

Referred to paragraph 2 of Report on other legal and regulatory requirements of our report of even date to the financial statements of the company for the year ended March 31, 2024.

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a program of verification its fixed assets in a phased manner which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
(c) According to the information and explanation given by the management, the title deeds of land, included in fixed assets/ WIP are not in the name of the Company. Only users right given to the Company to construct the specified projects in such land. However, the copy of users right of the land of the following projects not available with the Company for our verification.
 - IPSC (Saheed Nagar)
 - Social Equity Center
 - IPSC (Bapuji Nagar)
 - Sensory Park
 - Smart Park (Saheed Nagar)
 - BMC/ ICOMC Tower
(d) The Company does not hold any inventories and therefore, the provisions of clause 3 (ii) of the Order does not apply to the Company.
2. According to information and explanation given to us, the Company has not granted any loan, (secured or un secured) to Companies, firms, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. So, the clause (iii)(a), (b),(c) of the Order is not applicable.



3. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loan, investments, guarantees and security.
4. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March, 31 2024 and therefore, the provision of the clause 3 (v) of the Order are not applicable to the Company.
5. Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company for the Current financial year.
6. According to information and explanation given to us, and on the basis of our examination of the records of the Company, amount deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. According to information and explanation given to us, no undisputed amounts payable in respected statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
7. The Company has not defaulted in repayment of dues to any financial institutions, bank and debenture holders.
8. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
9. During the course of our examination of books of accounts carried out in accordance with the generally accepted audit practices in India and in our opinion and as per information and explanations give to us no fraud by the Company on on the Company by its officers or employees has been noticed or reported during the year.



10. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the companies Act, 2013.
11. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable for all transactions with the related parties and the details of related party transactions have been in the Ind AS financial statements as required by the applicable accounting standards.
13. As per the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under clause (xiv) of the Order is not applicable.
14. Based upon the audit procedures performed and the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order is not applicable to the Company and hence not commented upon.
15. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of clause 3 (xvi) of the Order is not applicable to the Company.
16. Based on the overall review of standalone financial statement, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.
17. There has been no resignation of the statutory auditors during the year. Hence the provisions stated in paragraph clause 3 (xvii) of the Order is not applicable to the Company.



18. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realization of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and Management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that material uncertainty exists as on the date of audit report that the Company is not capable to meet its liabilities existing at the date of balance sheets and when they fall due within a period of one year from the balance sheet date.

For SUBRATA DAS & CO

Chartered Accountants

Firm's Registration No: 319080E



S.K DAS

Partner

Membership No: 054189



Place: BHUBANESWAR

Date: 07-04-2025

Annexure-I

**Direction under Section 143 of the Companies Act, 2013 applicable for the financial year
2023-24 and onwards**

Sl No	Direction	
A	General Direction	
1	<p><i>Whether Company has system in place to process all the accounting transaction through IT system?</i></p> <p><i>If yes, the implications of processing of accounting transactions outside IT system on the integrity of accounts along with the financial implications, if any, may be stated</i></p>	Yes, All the accounting transactions are processed through IT System
2	<p><i>Whether there is any restructuring of an existing loan or cases of waiver/ write off of debt/ loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan?</i></p> <p><i>(In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company.)</i></p>	No
3	<p><i>Whether funds (grants/ subsidy etc.) received/ receivable for specific scheme from Central/ State government or its agencies were properly accounted for utilized as per its term and conditions?</i></p>	Yes, Funds received from State Govt (500 Crore) as well as Central Govt. (490 Crore) has been treated as Grants and all the expenses are booked against it. Both Capex and Opex are part of these expenses and Depreciation is charged based on Companies Act-1956
B	Company/ Sector Specific sub-direction	
1	<p><i>Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it? Whether any land of the Company is encroachment under litigation not put to use or declared surplus?</i></p> <p><i>Detail may be provided.</i></p>	<p>The Company does not own any land as no title deeds of land was with the Company.</p> <p>The land on which construction is going on are under WIP & without any encroachment.</p>
2	<p><i>Whether system in vogue for identification of projects to be taken under Public Private Partnership is in line with guidelines/ policies of the Government?</i></p>	No project is taken up on the basis of Public Private Partnership mode by the Company



	Comment on the deviation if any;	
3	Whether system of monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in exercise and the impact of cost escalation, if any, revenues/ losses from contracts etc. have been properly accounted for in the books?	Yes. Separate committee is formed to check the execution. Based on their report payment is made to MSI and in few cases amount gets withheld from the invoice based on deviation if any.
4	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized? <i>List of cases deviations.</i>	<p>Yes, subject to followings</p> <p>As per para 11.4 of Smart city Mission Guideline, 5% of the total Project Grant amounting to Rs. 60.00 Cr was provisioned for Administrative and Office Expenses until the previous project timeline i.e., June 2023. However, due to the following reasons the Administrative & Office Expenditure restricted to Rs. 60.00 Cr was over utilized and an amount of Rs. 84.05 Cr stands as on June 2024.</p> <ol style="list-style-type: none"> 1. The SCM Project initially had a timeline up to June 2023, however as per Govt order No. K-14012/101/(04)/2021-SC-III-A) dated 29.06.2023 the Project was extended from June 2023 to June 2024 and with further Govt. order No. K-14012/101/(04)/2021-SC-III-A(E-9103870) dated 29.06.2024 it was extended until March 2025. The subsequent orders were implicated without any additional A & OE Budget. Hence, the initial A & OE budget of Rs. 60.00 Cr has been exceeded. 2. The Electricity Expenses for all Capital Projects Development and put to use under SCM Guidelines during the period from 2017-18 to till date are apportioned from the A & OE budget, hence, the initial budget of Rs. 60.00 Cr was exceeded.



		3. The Project Management Consultancy Expenses for monitoring the capital investments under SCM Project amounting to Rs. 14.31 Cr (approx.) had been previously apportioned through the A & OE budget instead of allocating to Project Cost during the period from 2017-18 to 2023-24. Hence, the initial A & OE budget of Rs. 60.00 Cr has exceeded.
5	Whether bank guarantees have been revalidated in time?	No Bank Guarantee Account found
6	Comment on the confirmation of balance of trade receivable, trade payables, term deposits, bank accounts and case obtained.	Balance confirmation was available from banks. But balance confirmation from trade receivable and trade payables were not available.
7	The cost incurred on abandoned projects may be quantified and the amount actually written off shall be mentioned.	NIL. As explained no projects declared as abandoned
8	Interest earned on IT TDS.	Yes, Booked to Income.
9	Disclosure on accounting treatment of Project Management Charges (PMC)	Deliverables are booked to Project Cost and remunerations are booked to A & OE Expenditure.

For SUBRATA DAS & CO

Chartered Accountants

Firm's Registration No: 319080E



S.K DAS

Partner

Membership No: 054189



Place: BHUBANESWAR

Date: 07-04-2025

UDIN - 25054184 BMH2R01680

