Annual Accounts For 2021-2022

BHUBANESWAR Smart

Bhubaneswar Smart City Limited

Block-1, 5thFloor, BMC- Bhawani Mall, Saheed Nagar, Bhubaneswar- 751007,
E-mail Id: bbsr.bscl@gmail.com, CIN: U74990OR2016PLC020016
Website: http://smartcitybubaneswar.gov.in

BHUBANESWAR SMART CITY LIMITED

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

Balance Sheet as at 31st March,2022

Rupees in Lakh

Sl No.	Particulars	Notes No.	As at 31st March,2022	As at 31st March,2021
I.	ASSETS			
(1)	Non-Current Assets			
			-	-
	(a)Property, Plant and Equipment	1	19,794.00	12,915.85
	(b)Capital Work -in-Progress	2	29,807.99	28,456.22
	(c)Other Intangible Assets	3	3,804.95	2,522.10
	(d)Intangible Assets under Development		-	-
	(e)Financial Assets		-	-
	(i) Investments	4	-	-
	(ii)other Financial assets	5(A)	65.92	55.63
	(f)Deferred Tax Assets(Net)		-	-
	(g)Other Non-Current Assets	6(A)	-	-
(2)	Current Assets		-	
	(a)Financial Assets		-	
	(i)Cash & Cash Equivalents	7	40,279.09	31,339.70
	(ii)Bank Balances other than(i) above		-	-
	(iii)Loans		-	-
	(iv)Other Current Financial Assets	5(B)	8.99	1,324.13
	(b)Advance Income Tax including TDS/TCS Receivable		544.95	518.74
	(c)Other Current Assets	6(B)	662.74	358.77
	(d) Sundry Debtors	5(C)	6.97	-
	TOTAL ASSETS		**94,975.59**	**77,491.16**
II.	EQUITY AND LIABILITIES		-	
	EQUITY		-	
	(a)Equity Share Capital	8	25,000.00	25,000.00
	(b)Other Equity	9	59,065.03	46,384.50
	LIABILITIES			
			-	-
(1)	Non-current liabilities			
	(a)Financial Liabilities		-	-
	(i) Other Financial Liabilities	10(A)	717.12	515.77
	(b) Deferred tax liabilities (Net)		5,878.43	3,959.66
	(c)Other Non-Current Liabilities	12(A)	2,351.11	1,069.18
(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	191.80	297.20
	(ii) Other Financial Liabilities	10(B)	45.18	42.45
	(b) Other Current Liabilities	12(B)	163.79	168.55
	(c) Provisions	13	1,563.13	53.85
	TOTAL EQUITY & LIABILITIES		**94,975.59**	**77,491.16**
	Notes forming part of the financial statements	(1-18)		

For T.K.Agarwalla & Co.
Chartered Accountants
FRN: 325201E

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

Nityananda Nayak
Partner
M. No: 302878

Company Secretary

Chief Finance Officer

Director
DIN:

Director
DIN:

Madan Singh, OFS(SG)
Chief Finance Officer
Bhubaneswar Smart City Ltd.
Bhubaneswar

Managing Director
Bhubaneswar Smart City Limited

COMPANY SECRETARY
Bhubaneswar Smart City Ltd.
Bhubaneswar

T.K. AGARWALLA & CO. Chartered Accountants Bhubaneswar

BHUBANESWAR SMART CITY LIMITED

BHUBANESWAR SMART CITY LIMITED

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

Statement of Profit and Loss for the period ended on 31st March, 2022

Rupees in Lakh

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I Revenue from operations	14	82.78	1.68
II Other Income	15	6,072.37	2,603.30
III Total Income (I+II)		6,155.15	2,604.97
IV Expenses		-	-
(a)Employee Benefit Expenses	16	163.53	161.39
(b)Finance Costs	17	-	8.83
(c)Depreciation and Amortisation Expenses	1 & 3	4,555.63	2,322.20
(d)Other Expenses	18	1,511.15	1,169.67
Total Expenses		6,230.31	3,662.08
V Profit /(loss) before Exceptional Items and tax (III-IV)		(75.15)	(1,057.11)
VI Exceptional Items		-	-
VII Profit/Loss before tax(V-VI)		(75.15)	(1,057.11)
VIII Tax Expense			
(1)Current Tax		-	-
(2)Deferred Tax		1,918.77	1,821.06
IX Profit/(loss) after tax (VII-VIII)		(1,993.92)	(2,878.17)
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		(1,993.92)	(2,878.17)
XII Earnings Per Equity Share			
(1) Basic		(7.98)	(11.51)
(2)Diluted		(7.98)	(11.51)
Notes forming part of the financial statements	(1-18)		

For T.K.Agarwalla & Co.
Chartered Accountants
FRN: 325201E

29/12/2022

Nityananda Nayak
Partner
M. No: 302878

Company Secretary

COMPANY SECRETARY
Bhubaneswar Smart City Ltd.
Bhubaneswar

Chief Finance Officer

Madan Singh, OFS(SG)
Chief Finance Officer
Bhubaneswar Smart City Ltd.
Bhubaneswar

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

Director
DIN:

Director
DIN:

Managing Director
Bhubaneswar Smart City Limited

T.K. AGARWALLA & CO. Chartered Accountants Bhubaneswar

BHUBANESWAR SMART CITY LIMITED

BHUBANESWAR SMART CITY LIMITED

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

Cash Flow Statement for the year ended 31st March, 2022

Rupees in Lakh

SL	Particular	As at March 31st,2022	As at March 31st,2021
1	Cash flows from operating activities		
	Net profit before taxation, and extraordinary item	(75.15)	(1,057.11)
	Adjustments for Depreciation	4,555.63	2,322.20
	Interest Income	102.16	(229.39)
	Share From investee Company P&L FVTPL	-	-
	Office Rent (Fair Value Amortised Expenses)	-	-
	Interest Paid	-	-
	Operating profit before working capital changes	-	-
	Increase/(Decrease) in Trade Payable	(105.40)	(636.91)
	Increase/(Decrease) in Other Financial Liabilities	204.08	260.19
	Increase/(Decrease) in Other Current Liabilities	(4.76)	66.17
	Increase/(Decrease) in Other Non-Current Liabilities	1,281.93	(68.29)
	(Increase)/Decrease in Income Tax Assets	(187.72)	(103.56)
	(Increase)/Decrease in other non current Assets	-	-
	(Increase)/Decrease in other current Assets	76.72	463.30
	(Increase)/Decrease in Other Financial Assets	1,111.89	(1,086.18)
	Increase/(Decrease) in Short Term Provisions	1,509.28	33.18
	Increase/(Decrease) in current asset ssudry debtors	(6.97)	-
	Cash generated from operations	8,461.68	(36.40)
	Income Tax Paid	(26.21)	348.68
		-	-
	Net cash used in operating activities (A)	**8,435.47**	**312.29**
2	Cash flows from investing activities	-	-
	Purchase of fixed assets	(12,716.61)	(9,841.36)
	Interest received	(102.16)	229.39
	Advances for Projects	-	-
	Investment in Capital Work-in-progress Projects	(1,351.77)	290.29
	Equity Shares	-	-
	Fixed Deposit (net)	-	-
		-	-
	Net cash used in investing activities (B)	**(14,170.54)**	**(9,321.68)**
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	14,674.46	17,687.86
	Increase in Borrowings - Bank Over Draft	-	-
		-	-
	Net cash used in financing activities (C)	**14,674.46**	**17,687.86**
4	**Net increase in cash and cash equivalents (A+B+C)**	**8,939.39**	**8,678.47**
5	**Cash and cash equivalents at beginning of period**	**31,339.70**	**22,661.23**
6	**Cash and cash equivalents at end of period**	**40,279.09**	**31,339.70**

For T.K.Agarwalla & Co
Chartered Accountants
FRN: 325201E

29/10/2022

Nityananda Nayak
Partner
M. No: 302878

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

Company Secretary — COMPANY SECRETARY, Bhubaneswar Smart City Ltd, Bhubaneswar

Chief Finance Officer — ...gan Singh, OFS(SG), Chief Finance Officer, Bhubaneswar Smart City Ltd, Bhubaneswar

Director
DIN:

Director
DIN:

Managing Director
Bhubaneswar Smart City Limited

BHUBANESWAR SMART CITY LIMITED
Notes forming part of the financial statements

NOTE: 1: Property, Plant and Equipment
Rupees in Lakh

Asset	Gross Block				Depreciation				Net Block		
	Opening Gross Block as on 01.04.2021	Additions during the Year	Deductions during the Year	Closing Gross Block as on 31.03.2022	As at 01.04.2022	Depreciation for the Year	Deduction/ Adjustments	As at 31.03.2022	Net Block as on 31.03.2022	Net Block as on 31.03.2021	Residual Value @ 5% of Acquisition Cost
Tangible Assets											
Land (Operating Lease)	5	-		5	-	-		-	5	5	
Building	1,030.24	-	-	1,030.24	67.87	53.21	-	121.08	909.16	962.37	51.51
Plant & Machinery	9,719.90	5,132.60	-	14,852.50	1,098.43	1,661.27	-	2,759.70	12,092.80	8,623.47	741.63
Office Equipment	80.86	410.00	-	490.86	40.32	18.40	-	58.72	432.13	40.54	4.04
Computer	2,590.29	3,199.93	-	5,790.22	221.15	1,554.48	-	1,775.63	4,014.59	2,369.14	289.51
Electrical Installations	1,020.57	1,710.29	-	2,730.86	277.75	204.68	-	482.43	2,248.44	742.82	136.54
Furniture & Fixture	270.06	0.55	-	270.60	112.85	40.87	-	153.72	116.88	157.20	13.53
ROU-Office	182.80	-	182.80	(0.00)	162.49	1.12	163.62	(0.00)	(0.00)	20.31	-
Total	14,894.71	10,433.37	182.80	25,145.28	1,978.86	3,536.04	163.62	5,352.28	19,794.00	12,915.85	1,236.76

NOTE: 3 Other Intangible Assets

Asset	Gross Block				Depreciation				Net Block		
	Opening Gross Block as on 01.04.2021	Additions during the Year	Deductions during the Year	Closing Gross Block as on 31.03.2022	As at 01.04.2021	Depreciation for the Year	Deduction/ Adjustments	As at 31.03.2022	Net Block as on 31.03.2022	Net Block as on 31.03.2021	Residual Value @ 5% of Acquisition Cost
Software	3,394.81	2,302.43	-	5,697.23	872.70	1,019.58	-	1,892.29	3,804.95	2,522.10	284.86
Software (Work in Progress)	-	-	-	-	-	-	-	-	-	-	-
Total	3,394.81	2,302.43	-	5,697.23	872.70	1,019.58	-	1,892.29	3,804.95	2,522.10	284.86
Total	18,289.52	12,735.80	182.80	30,842.51	2,851.56	4,555.63	163.62	7,243.57	23,598.95	15,437.96	1,521.62

Asset	Gross Block				Depreciation				Net Block		
	Opening Gross Block as on 01.04.2020	Additions during the Year	Deductions during the Year	Closing Gross Block as on 31.03.2021	As at 01.04.2020	Depreciation for the Year	Deduction/ Adjustments	As at 31.03.2021	Net Block as on 31.03.2021	Net Block as on 31.03.2020	Residual Value @ 5% of Acquisition Cost
Tangible Assets											
Land (Operating Lease)	5	-		5	-	-		-	5	5	
Building	890.35	139.89	-	1,030.24	14.42	53.46	-	67.87	962.37	875.94	52.51
Plant & Machinery	3,937.59	5,782.31	-	9,719.90	118.60	977.84	-	1,096.43	8,623.47	3,819.00	486.00
Office Equipment	80.47	0.39	-	80.86	7.04	33.28	-	40.32	40.54	72.43	4.04
Computer	258.31	2,331.97	-	2,590.29	43.55	177.60	-	221.15	2,369.14	214.77	129.51
Electrical Installations	861.06	159.51	-	1,020.57	70.59	207.15	-	277.75	742.82	790.47	51.03
Furniture & Fixture	265.03	5.03	-	270.06	59.32	53.53	-	112.85	157.20	205.71	13.50
ROU-Office	182.80	-	-	182.80	101.58	60.91	-	162.49	20.31	81.24	-
Total	6,475.63	8,419.08	-	14,894.71	415.07	1,563.79	-	1,978.86	12,915.85	6,060.55	735.60

Asset	Gross Block				Depreciation				Net Block		
	Opening Gross Block as on 01.04.2020	Additions during the Year	Deductions during the Year	Closing Gross Block as on 31.03.2021	As at 01.04.2020	Depreciation for the Year	Deduction/ Adjustments	As at 31.03.2021	Net Block as on 31.03.2021	Net Block as on 31.03.2020	Residual Value @ 5% of Acquisition Cost
Software	1,972.54	1,422.26	-	3,394.81	114.30	758.40	-	872.70	2,522.10	1,858.25	169.74
Software (Work in Progress)	-	-	-	-	-	-	-	-	-	-	-
Total	1,972.54	1,422.26	-	3,394.81	114.30	758.40	-	872.70	2,522.10	1,858.25	169.74
Total	8,448.16	9,841.36	-	18,289.52	529.37	2,322.20	-	2,851.56	15,437.96	7,918.80	905.33

Notes:
(i) During the financial year Rs.1,26,66,72,859/- has been recognised as fixed assets in different class of assets out of the bills CWIP.
The capitalisation has been made based on the successful Go-Live by system 100% of Sub-system becoming operational.
(ii) As per IndAS the proportionate amount of depreciation of Rs.43,88,99,690/- on these fixed assets created out of the Grants have been recognised as Deferred Income.

T.K. AGARWALLA & CO. Chartered Accountants Bhubaneswar

BHUBANESWAR SMART CITY LIMITED

BHUBANESWAR SMART CITY LIMITED
Notes forming part of the financial statements

NOTE: 2

CAPITAL WORK -IN-PROGRESS WITH (AGING Schedule)

Rupees in Lakh

Particulars	Opening As at 01.04.2021	Addition during the Year	Total	Adjustments	Closing As at 31.03.2022
BMC ICOMC	5,587.27	2,053.70	7,640.98	-	7,640.98
LAKE NEUTRAL	1.84	-	1.84	-	1.84
MASTER SYSTEM INTEGRATION	8,491.67	6,721.09	15,212.76	12,666.73	2,546.03
BUS QUE SHELTERS (CWIP)	2,932.19	-	2,932.19	-	2,932.19
MLCP-SAHEED NAGAR	2,090.02	659.23	2,749.25	-	2,749.25
MLCP-UNIT-II	2,635.04	1,426.60	4,061.64	-	4,061.64
SMART JANPATH	6,325.03	2,895.45	9,220.48	-	9,220.48
IPSC, BAPUJI NAGAR (CWIP)	314.37	241.94	556.31	-	556.31
SENSORY PARK (CWIP)	78.79	20.49	99.28	-	99.28
TOTAL	28,456.22	14,018.49	42,474.72	12,666.73	29,807.99
	-	-	168.2037	-	-

FY 2020-2021

Particulars	Opening As at 01.04.2020	Addition during the Year	Total	Adjustments	Closing As at 31.03.2021
BMC ICOMC	1,327.14	4,260.14	5,587.27	-	5,587.27
	-	-	-	-	-
LAKE NEUTRAL	1.84	-	1.84	-	1.84
MASTER SYSTEM INTEGRATION	16,443.23	1,666.67	18,109.90	9,618.23	8,491.67
BUS QUE SHELTERS (CWIP)	2,932.19	-	2,932.19	-	2,932.19
MLCP-SAHEED NAGAR	1,759.32	330.70	2,090.02	-	2,090.02
MLCP-UNIT-II	1,789.33	845.71	2,635.04	-	2,635.04
SMART JANPATH	4,407.62	1,917.41	6,325.03	-	6,325.03
SMART PARK- SAHEED NAGAR	-	-	-	-	-
SOCIAL EQUITY CENTER	-	-	-	-	-
IPSC, BAPUJI NAGAR (CWIP)	82.77	231.61	314.37	-	314.37
SENSORY PARK (CWIP)	3.08	75.70	78.79	-	78.79
TOTAL	28,746.51	9,327.94	38,074.46	9,618.23	28,456.22

Notes:

(i) Out of Total CWIP Rs.1,26,66,72,859/- have been recognised as Assets during current financial year.

Note:- CWIP with Aging Schedule

CWIP	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i) Project in progress	1,351.77	9,327.94	9.358	9,770.02	29,807.99
ii) Project temporarily suspended					

DETAILS OF ASSETS RECOGNISED IN THE BOOKS IN THE FY-2021-22 BUT NOT CONSIDERED FOR DEPRECIATION CALCULATED UNDER IT ACT:

	2021-2022
Building	-
Plant & Machinery	5,095.14
COMPUTERS	3,199.93
INTANGIBLE ASSET (SOFTWARE)	2,293.89
OFFICE EQUIPMENT	367.48
FURNITURE & FIXTURE	-
ELECTRICAL EQUIPMENTS & INSTALLATION	1,710.29
TOTAL	12,666.73

T.K. AGARWALLA & CO. Chartered Accountants Bhubaneswar

BHUBANESWAR SMART CITY LIMITED

BHUBANESWAR SMART CITY LIMITED

Notes forming part of the financial statements

INVESTMENT

Rupees in Lakh

4 Investment- Non Current

Particular	As at 31st March ,2022	As at March 31st,2021
(i)Investment in BPTSL	-	-
TOTAL	0	0

OTHER FINANCIAL ASSETS

5(A) Other Financial Assets- Non Current

Particular	As at 31st March ,2022	As at March 31st,2021
(i)Security Deposits (Office Building)	33.69	33.69
(ii) Security Deposits (Others)	32.23	21.94
TOTAL	65.92	55.63

5(B) Other Financial Assets- Current

Particular	As at 31st March ,2022	As at March 31st,2021
(i)Loans and Advances	0.00	0.00
(a) Advance Receivables considered good - Secured;	0.00	192.96
(b) Advance Receivables considered good - Unsecured;	0.00	0.00
(i)Advance for Bhubaneswar Development Authority	8.87	6.16
(ii)Advance for Museum of Urban Hostory- BDA	0.00	1125.00
(c) Advance Receivables which have significant increase in Credit Risk;	0.00	0.00
(e) GIS Advanced	0.12	0.00
(ii)Interest Accrued on Fixed Deposits	0.00	0.00
	0.00	0.00
TOTAL	8.99	1324.13

5(c) Current Asset (Trade Receivable)

Particular	As at 31st March ,2022	As at March 31st,2021
(i)Sundry Debtors		
(a) Sundry debtors less than 6 Months	6.97	-
(b)Other recivables	-	-
TOTAL	6.97	0

15 Trade Receivable Aging Schedule

	Outstading 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	0	0	0	0	0
ii) Others	6.97	-	-	-	6.97
iii) Disputed due- MSME					0
iv) Disputed dues- Others					0

T.K. AGARWALLA & CO. Chartered Accountants Bhubaneswar

SMART CITY LIMITED * BHUBANESWAR

OTHER ASSETS

6(A) Other Assets - Non Current

Rupees in Lakh

Particular	As at 31st March ,2022	As at March 31st,2021
(i)Prepaid Office Rental Expenses	-	-
TOTAL	0	0

6(B) Other Assets- Current

Particular	As at 31st March ,2022	As at March 31st,2021
Advances other than capital advances:		
(i)Advance for expenses	-	-
(iii)Prepaid Office Rental Expenses	-	-
(iv) Duties & Taxes Receivable (Input GST)	401.25	213.52
(v) Interest Accrued	261.49	145.25
(vi) Advance to CRUT for PBS	-	-
TOTAL	662.74	358.77

7 Cash & Cash Equivalents

Particular	As at 31st March ,2022	As at March 31st,2021
A) Current Cash and bank balances		
(a) Unrestricted Balances with banks	31,757.89	23,113.90
(b) Cheques, drafts on hand -	0.00	0.00
(c) Cash in hand -	0.00	0.00
(d) Balances with banks in deposit accounts with original maturity of less than 3 months (ICICI Bank)	8,521.20	8,225.80
Cash and Cash equivalent as per balance sheet	40,279.09	31,339.70
	0.00	0.00
B) Other Bank Balances	0.00	0.00
(a) Balances with banks in deposit accounts with original maturity more than 3 months	0.00	0.00
	0.00	0.00
Total Other Bank Balances	0.00	0.00
TOTAL	40,279.09	31,339.70

T.K. AGARWALLA & CO. Chartered Accountants Bhubaneswar

BHUBANESWAR SMART CITY LIMITED

8 Equity Share Capital

Equity Share Capital	As at 31st March ,2022	As at March 31st,2021
	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,2021	No. of Shares	As at March 31st,2022
	No. of Shares	% holding in that class of shares	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%	1,12,50,000	45%
Bhubaneswar Municipal Corporation (BMC)	1,12,50,000	45%	1,12,50,000	45%
Bhubaneswar Development Authority (BDA)	25,00,000	10%	25,00,000	10%
Percentage	2,50,00,000	100%	2,50,00,000	100%

T.K. AGARWALLA & CO. Bhubaneswar Chartered

BHUBANESWAR SMART CITY LIMITED

9 OTHER EQUITY

Rupees in Lakh

	As at 31st March ,2022	As at March 31st,2021
	Amount	Amount
i)Capital Reserve		
Opening Balance	53,935.73	36,247.87
Add: Capital Grant Reserve	13,127.64	16,853.95
Interest on Smart City Mission Grant Fund	-498.18	833.91
Balance at the end of the reporting period - March 31st 2022	**66,565.19**	**53,935.73**

	As at 31st March ,2022	As at March 31st,2021
	Amount	Amount
ii) Revenue Grant Reserve		
Opening Balance	-	-
Add: Revenue Reserve	2,045.00	
	2,045.00	

	As at 31st March ,2022	As at March 31st,2021
iii)Retained Earnings		
Opening Balance	(7,551.23)	(4,673.07)
Transfer to retained earnings	(1,993.92)	(2,878.17)
	-	-
Balance at the end of the reporting period - March 31st 2022	(9,545.16)	(7,551.23)
	-	-
TOTAL (i)+(ii)	**59,065.03**	**46,384.50**

OTHER FINANCIAL LIABILITIES

10(A) Other Financial Liabilities -Non Current

Particular	As at 31st March ,2022	As at March 31st,2021
(i)Security Deposit-Contractors	717.12	515.77
	-	-
TOTAL	**717.12**	**515.77**

10(B) Other Financial Liabilities - Current

Particular	As at 31st March ,2022	As at March 31st,2021
(i) Earnest Money Deposits (EMD) Collected	45.18	22.89
(ii)Lease Obligation-Office	-	19.18
(iii)Withholding (GST)	-	0.38
(iv)Payable to CITIIS Project #	-	23.45
Less:Contribution to CITIIS Project - BSCL	-	(23.45)
TOTAL	45.18	42.45

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11 Trade Payables and Other Payables

Rupees in Lakh

Particular	As at 31st March ,2022	As at March 31st,2021
(i)Total outstanding dues of micro enterprises and small enterprises	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
a)Sundry Creditors-UNFPA	3.80	6.09
b)Sundry Creditors-CITIIS	-	1.93
c)Sundry Creditors for Capital Goods	-	-
d)Sundry Creditors for Services	188.00	289.18
e)Sundry Creditors for Retainership	-	-
	-	-
TOTAL	191.80	297.20

Trade Payable Aging Schedule - 2021-2022

Particulars	llowing periods from due date of Payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i) MSME	0	0			
ii) Others	1.43	29.00	159.80	1.58	191.80
iii) Disputed due- MSME					
iv) Disputed dues- Others					0

Trade Payable Aging Schedule - 2020-2021

Particulars	Outstading 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	0	0	0	0	0
ii) Others	122.70	13.12	159.80	1.58	297.20
iii) Disputed due- MSME					0
iv) Disputed dues- Others					0

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OTHER LIABILITIES

12(A) Other Liabilities -Non Current

Rupees in Lakh

Particular	As at 31st March ,2022	As at March 31st,2021
Grants Received from OUHM, GoO(Social Equity centre)	265.80	282.40
Grants Received from BMC(ICOMC)	100.00	100.00
CITIIS-Grants (Deferred Income)	685.27	686.77
Grant in Kind (Land for Projects) from GoO and Local Authorities at Nominal Cost of Rs 1/-	0.00	0.00
Grant from BMC	1,200.00	-
MD WATCO Bhubaneswar	100.03	-
	-	-
TOTAL	2,351.11	1,069.18

Notes:-

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

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

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

The Interest being generated from the Short term Deposits of the CITIIS Grants is proportionaley 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 UC/Bill submitted against that specific purpose project.

12(B) Other Liabilities - Current

Particular	As at 31st March ,2022	As at March 31st,2021
(i)Statutory Dues Payable	156.46	167.76
(ii) GST Payable	7.33	-
(iii)Employees Contribution Payable	-	0.79
	-	-
TOTAL	163.79	168.55

13 Provisions

Particular	As at 31st March ,2022	As at March 31st,2021
(i)Provisions for Office Rent	51.65	49.29
(i)Provisions for Salary & Wages & Retainership fees	9.86	4.03
(iii) Short term provision	-	-
(iv) Consultant Exp. (Professional Service)	1.03	-
(v) Provision for Interest returned to MOHUA	1,500.00	-
(vi) Statutory Audit Fees	0.59	0.54
TOTAL	1,563.13	53.85

BHUBANESWAR SMART CITY LIMITED

Notes forming part of the financial statements

Rupees in Lakh

14 Revenue From Operation

Particulars	For the Period from April 01,2020 to March 31, 2022	For the Period from April 01,2019 to March 31, 2021
Leasing of Dark Fibre Optic Network	65.83	-
Works-BDA Lake Zone-II	-	1.68
Video Presention (Advertisements) from mertosign	16.95	-
	82.78	1.68

15 Other Income

Particulars	For the Period from April 01,2020 to March 31, 2022	For the Period from April 01,2019 to March 31, 2021
(a) BSCL Misc. Project Grants		
(i) Unfpa-Contribution	26.36	30.23
* (ii) H & UD-Grant- A & OE	1,725.00	-
(iii) BMC-Contribution-ODF Activities	-	-
(iv) CITIIS Grant- Deferred Income	22.43	104.46
** (v) Deferred Income- Capital Grants	4,389.00	2,193.07
* 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 depriciation calculation.	-	-
	6,162.78	2,327.76
(b) Income Other than Grants	-	-
(i)Bank Interest Received -Sweep (CITIIS-BSCL)	-	0.17
(ii)Bank Interest Received-Sweep	-	95.62
(iii)FDR-Interest Received-ICICI Bank	-	73.40
(iv)FDR-Interest Received-IDBI	0.35	0.41
(v)FDR-Interest Received-Indusind	-	9.44
(vi)Interest Income(Security Deposit _Rent FVTPL)	-	2.06
(vii) Interest -Income Tax Refund	5.03	43.06
(viii) Interest on Mob. Advance	(102.51)	48.29
	-	-
	(97.13)	272.45
(c) Net Gain/(Loss) on Financial Assets Designated as at FVTPL	-	-
(i)Share from Investee Company's Profit & Loss FVTPL	-	-
	-	-
	-	-
(d) MISC Income	-	-
(i)RTI Information Fees	-	-
(ii)BID Processing Fees	3.50	1.91
(iii)Recoveries from Vendors	-	1.18
(vi) Penalty Recovery from vendors	3.22	-
	6.72	3.08
	-	-
Total Other Income a+b+c+d	6,072.37	2,603.30

Notes: As per IndAS the proportionate amount of depreciation of Rs.43,88,99,690/-on those fixed assets created out of the Grants have been recognised as Deferred Income

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16 **Employee Benefits Expenses**

Rupees in Lakh

Particulars	For the Period from April 01,2020 to March 31, 2022	For the Period from April 01,2019 to March 31, 2021
(i)Basic Pay	89.20	81.95
(ii)House Rent Allowances	5.25	5.77
(iii)Conveyance Charges	(1.18)	(1.40)
(iv)Dearness Allowances	20.48	14.28
(v)Cafeteria Allowances	2.80	2.58
(vi)Conveyance Allowances	1.02	0.83
(vii)Medical Allowances	3.42	3.22
(viii)BSCL Contribution (NPS,CPF, EDLI & RPFC)	3.93	2.15
(ix)BSCL Contribution (QTR Rent)	-	-
(x)BSCL Contribution (Health Insurance)	-	0.12
(xi)Leave Salary & Pension Contribution	28.85	49.11
(xii)Arrear Incremental Pay & Allowances	9.79	2.76
Total Employee Benefits Expenses	**163.53**	**161.39**

17 **Finance Cost**

Particulars	For the Period from April 01,2020 to March 31, 2022	For the Period from April 01,2019 to March 31, 2021
(i) Finance Cost	-	-
Interest on Lease Obligation	-	8.83
Total Finance costs	-	**8.83**

18 **Other Expenses**

Particulars	For the Period from April 01,2020 to March 31, 2022	For the Period from April 01,2019 to March 31, 2021
(a) Project cost :Unfpa Smart City Awareness Expenses	-	-
(i)Instalation & Configuration Expenses	-	-
(ii)Programme Management Support	10.72	40.47
(iii)Youth Connect Programme	6.94	1.42
(iv)Resource & Communication Material	0.14	-
(v)Safety & Security of Women	-	0.05
(vi)UNFPA/BSCL Contingency	-	-
(vii)Citizen Connect Programme	0.14	1.49
(viii)IND09PDS Programme Management & youth Engagement support	12.79	8.71
(b)Operating Expenses:	-	-
(i)PgMC Consultancy Expenses	203.64	366.81
(ii)Retainership Fees	34.80	83.07
(iii) PBS Operative & Maintenance	31.24	50.00
(iv) Preparation of DPR(CITIIS)	-	14.37
(v) Operation and Maintenance Exp. (ATCS)	41.01	56.91
(vi) Repair and Maintenance Exp. (Smart Park)	-	21.41
(vii) Bhubaneswar One Project	-	0.86
(vii) IPSC Building Beutification works	-	0.23
(viii) I Am Bhubaneswar Initiative	9.58	171.65
(ix) Lake Zone-II (BDA) Expenses	-	1.47
(x) 1929 City Call Center Expenses	28.18	-
(c)Administrative and Other Expenses:	-	-
(i)Office Misc. Expenses	5.88	4.12
(ii)Office Rent	78.28	2.84
(iii)Statutory Audit Fees	0.59	0.50
(iv)Advertisement Expenses	3.60	1.89
(v)Company Welfare Expenses	0.74	0.87
(vi)Common Area Maintenance Charges	8.23	8.87

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(d) Vehicle Hiring & Maintenance Charges	-	-
(i)Vehicle Hiring & Maintenance Charges	25.11	19.82
(ii)Fuel Charges	13.51	8.32
	-	-
(e) Project Management Cost	-	-
(i)BUKC & Project Expenses (CITIIS)	22.43	90.09
(ii)Monitoring & Supervision Expenses	-	0.31
(iii)Training & Capacity Building Expenses	7.25	-
(iv) Uninstall & Reinstallation	7.80	-
(v) Opration & Maintenance MSI	706.84	-
(f) Miscellaneous Expenses	-	-
(i)Computer Peripheral Expenses	0.95	0.93
(ii)CGST RCM	-	17.37
(iii)SGST RCM	-	17.37
(iv)Sitting Fees	2.12	3.15
(v)Legal & Professional Service	7.15	10.10
(vi) Intership fees	0.73	-
(vii)Service Provider Charge	60.40	87.44
(viii)Internet Charges	0.86	3.45
(ix)Electricity Expenses	149.75	67.56
(x)Power Back-Up Charges	1.10	1.20
(xi)Postage & Courier	0.12	0.06
(xii)Printing & Stationary	4.76	3.51
(xiiiProfessional Tax -Company	-	0.03
(xiv)Telephone Expenses	0.31	0.21
(xv)Repair & Maintenance	0.77	0.74
(xvii)Annual maintenance charges	4.87	-
(xviii)Interest on TDS	-	0.00
(xvix)Bank Charges	0.09	0.01
(xx)Video presentation Charges - BSCL Achievement Event	6.00	-
(xxii) Servie Connectin Charges	0.09	-
(xxiii) Installation & Configuration Charges - to Creative Odisha	11.63	-
	1,511.15	**1,169.67**

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Statement of Changes in Equity for the year 31.03.2022

Rupees in Lakh

A. Equity Share Capital:

Particulars	Balance as at 31st March, 2021	Changes in equity share capital	Balance as at 31st March, 2022
Equity shares of Rs. 100/- each	25,000.00	-	25,000.00

B. Other Equity

Particulars	RESERVES AND SURPLUS				Total
	General reserve	Retained earnings	Capital Reserve	Revenue Reserve	
Balance at April 1, 2020	-	-4,673.07	36,247.87	-	31,574.80
Profit for the year		-2,878.17	-	-	-2,878.17
Capital Grant Reserve (Grants Received towards Capital Layout from Govt.)		-	19,029.97	-	19,029.97
Changes during the year	-	-	-2,176.02	-	-2,176.02
Interest on Smart City Mission Grant Fund		-	833.91	-	833.91
		-	-	-	-
Balance at March 31, 2021	-	-7,551.23	53,935.73	-	46,384.50
Balance at April 1, 2021	-	-7,551.23	53,935.73	-	46,384.50
Profit for the year		-0.02	-	-	-0.02
Capital Grant Reserve (Grants Received towards Capital Layout from Govt.)		-	17,400.03	-	17,400.03
Revenue Grant Reserve (Grants Received towards Revenue Layout from Govt.)- i		-	-	2,045.00	2,045.00
Cycle for Change for Award		-	100.00	-	100.00
Changes during the year	-	-	-4,372.39	-	-4,372.39
Interest on Smart City Mission Grant Fund - ii		-	891.86	-	891.86
Interest on Mob. Advance - iii		-	109.96	-	109.96
Interest on Smart City Mission Grant Fund (Provision Made for T/F to MOHUA)		-	-1,500.00	-	-1,500.00
Balance at March 31, 2022	-	**-7,551.25**	**66,565.19**	**2,045.00**	**61,058.93**

Total Grant Received- Rs 212.7003 cr

Notes:

i)As per MOHUA Guidline 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 cores, Rs 49.50 crores (5%) has been received towards A & OE grants. BSCL has already booked as revenue for Rs 11.80 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 is transferred to A & OE Revenue reserve grant. It will be booked as revenue on the basis of revenue expeness incured. during the subsequent years.

ii) Interest being generated during FY 2021-22 from the Unspent capital Grants has been added to the Capital Grants.

iii) Interest being generated for Rs 7,44,285 during the FY 2021-22 from the Mobilization Advance has been added to the Capital Grants. , Interest on mobilisation advanced of Rs 1.02 crores up to 31/03/2021 was booked as interst income in profit & loss account of the previous years. And as per the C & AG Preliminary Observation Memo (PMO) for the year end 31st march 2021, the interest on mobilisation advance amount of Rs 1.02 Cr earlier booked as revenue transferred to capital grant account & from capital grant account there is provision cerated for Interest payble to MOHUA.

iv)Deferred Income has been recognised on the capitlisation of Socila Equity Center, Adaptive Traffic Control System, IPSC-Saheed Nagar, and Part Operational System of MSI and Smart Park.

Bhubaneswar Smart City Limited

SCHEDULE OF FIXED ASSETS (Under IT Act Financial 2021-22)

Rupees in Lakh

Particulars	Rate of Dep	Net block as on 01.04.2021	Addition upto Sept 2021 (>180 days)	Addition after Sept 2021 (<180 days)	Value realised on sale,extinguishment of asset	Gross Value of block of asset	Depreciation upto Sept 2020 (>180 days)	Depreciation upto March 2021 (<180 days)	Depreciation during the Year up to 31st March 2022	NET BLOCK as on 31.03.2022
Building	10.00%	-			-	-	-	-	-	-
Plant & Machinery	15.00%	-			-	-	-	-	-	-
COMPUTERS	40.00%	20,87,576		-	-	20,87,576	8,35,030	-	8,35,030	12.53
INTANGIBLE ASSET (SOFTWARE)	40.00%	20,59,871	3,54,000	5,00,000	-	29,13,871	8,65,548	1,00,000	10,65,548	18.48
OFFICE EQUIPMENT	15.00%	1,87,885	41,53,600	85,950	-	44,07,435	6,48,223	6,446	6,54,669	37.53
FURNITURE & FIXTURE	10.00%	1,00,36,518	35,400	19,234	-	1,00,91,152	10,07,192	962	10,08,154	90.83
ELECTRICAL EQUIPMENTS & INSTALLATION	15.00%	84,96,627	-		-	84,96,627	9,74,494	-	9,74,494	65.22
		2,08,48,477	45,43,000	6,05,184	-	2,59,96,661	44,30,487	1,07,408	45,37,895	0.00
PREVIOUS YEAR BALANCE		2,19,66,261	33,46,480	5,55,852	-	2,58,68,593	49,89,216	30,900	50,20,116	208.48

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Calculation of Deffered Tax for Financial the year 2021-22		Rupees in Lakh
Net Block of asset as per IT Act	214.59	-
Net Block of asset as per CO Act	23,598.95	-
Taxable Temporary Difference	-	(23,384.36)
	-	-
Carrying amount of A& OE grant	-	-
Tax Base of A& OE grant	(775.00)	-
Deductible Temporary Difference	-	775.00
	-	-
Total taxable temporary difference	-	**(22,609.36)**
Deffered tax (Liability)/Assets	-	(5,878.43)
	-	-
Deffred tax asset due to Leave encashment	-	-
Deffred tax asset due to Gratuity	-	-
Deffred tax asset due to Bonus	-	-
Deffred tax assets for porvision due to bad debts	-	-
	-	-
Total Deffered tax (Liability)/Assets to be provided for	-	(5,878.43)
	-	-
	-	-
Less: Op deffered tax(Liability)/Asset	-	(3,959.66)
	-	-
Deffered tax (liability)/Assets to be provided for the year	-	(1,918.77)

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BHUBANESWAR SMART CITY LIMITED

Bhubaneswar Smart City Limited

Notes forming part of the financial statements

For the year 2021-22

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, 2022 have been approved and authenticated by the Board of Directors on its 23rd meeting held on 30th September, 2022

Note.2 Statement of Compliance:

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

Note.3 Significant Accounting Policies:

3.01 Basis of preparation and presentation

(a) **Statement of Compliance**

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

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

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(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, with in 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
i) It is held primarily for the purpose of trading; or
ii) It is due to be settled within twelve months from the reporting period; or
iii) 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

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estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materializes.

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

Estimation of uncertainties due to COVID-19:

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

Impact of COVID-19

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

The leases that the Group has entered with lessors towards properties used as offices are closed as on 31/07/2021, after that the same building has entered a new rent agreement for a period one year up to 31/07/2022 and no changes in terms of those agreement are expected due to COVID-19.

3.03 Investments in associates and joint ventures

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

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

The results, assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

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except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the balance sheet at cost and adjusted thereafter to recognise the Entity's share of the profit or loss and other comprehensive income of the associate or joint venture.

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

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

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

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

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previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

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

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

3.04 Property, Plant and Equipment

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

3.05 Initial Measurement

The initial cost comprises purchase price, non-refundable purchase taxes, other directly expenditure attributable to acquisition, borrowing cost, if any, incurred for bringing the assets to its location and condition necessary for it to be capable of operating in the manner intended by Management, and the initial estimates of the present value of any asset restoration obligation or obligatory decommissioning and dismantling costs.
Expenditure incurred on development of freehold land is capitalized as part of the cost of the land.
In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads and directly attributable borrowing costs, if any. Unsettled liabilities for price variation in case of contracts are accounted for on estimated basis as per the terms of the contracts.

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

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

3.06 Subsequent expenditure

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

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

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

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

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

3.07 Capital work-in-progress

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

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

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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 is 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 amortisation and accumulated impairment losses, if any. Intangible assets having finite useful life are amortised over their estimated useful lives. The estimated useful life and

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amortisation method are reviewed at the end of each annual reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

3.10.2 Internally-generated intangible assets – research and development expenditure

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

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

3.10.3 User Rights:

Amount of expenditure incurred in a cluster project having future economic benefits, with exclusive use of co-beneficiaries but without physical control on the assets are capitalized as user rights.

3.10.4 Software

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

3.10.5 License and Franchise

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

3.10.6 Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, are recognized in the statement of profit and loss when the asset is derecognized.

3.10.7 Amortization

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

(a)Licenses in the nature of technical know-how for processing plants which are available for the useful life of the respective processing plants are amortized over a period of ten years.

(b)Software classified as intangible assets carries useful life as per schedule II of the Companies Act 2013.

(d)User Right for cluster projects is amortized over a period of 10 years from the date of commissioning.

3.11 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts

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

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

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

3.12 Functional & Foreign Currencies

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

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

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

3.13 Provisions and contingent liabilities

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

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

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A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognized in the financial statements. A contingent asset are not recognized in the financial statement ,but are disclosed where an inflow of economic benefit is probable.

3.14 Leases (IndAS-116)

Ind AS 116 replacing the existing standard Ind AS 17 and is effective from 01.04.2019. In compliance with this Ind AS leased assets and leased liabilities have been recognized in the books of the Company in the FY 2020-21 using the modified retrospective method. During the period FY 2021-2022, Ind AS 116 is not applicable. The leased assets and leased liabilities have been recognized in the books of the Company in the FY 2020-21 are adjusted during the period FY 2021-2022.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

3.15 Inventories

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

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

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

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are to be incorporated are sold below cost.

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

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

3.15.1 Non-inventoried stock items

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

3.16 Financial Instruments

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

3.16.1 Financial assets

a) Cash or Cash Equivalent:

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

b) Financial assets at amortized cost:

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

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principal and interest on the principal amount outstanding.

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

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

d) **Financial assets at Fair value through Profit or loss**

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

3.17 Financial liabilities

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

3.18 Equity Instruments

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

3.19 Compound Instruments

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is

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recognized and included in equity, net of income tax effects, and is not subsequently re-measured.

3.20 Financial guarantee contract liabilities

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

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

3.21 De-recognition of financial assets

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

3.22 Impairment of financial assets

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

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

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

3.23 Derecognition of financial liability

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

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3.24 Offsetting financial instruments

Financial assets and liabilities of the Company are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

3.25 Accounting for government grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

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

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

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

3.26 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company considers a period of twelve months or more as a substantial period of time. Investment income earned on the temporary investment of specific borrowings

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pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.27 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Revenues are reduced by the estimated rebates and other similar allowances taking into account contractually defined terms and excluding taxes and duties collected on behalf of the government

3.27.1Sales of Goods/Services

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

(i) significant risks and rewards of ownership have been transferred to the customer;

(ii) there is no continuing management involvement with the goods usually associated with ownership, nor effective control over the service supplied /goods sold has been retained;

(iii) the amount of revenue can be measured reliably;

(iv) It is probable that the economic benefits associated with the transaction will flow to the Company;

(v) recovery of the consideration is assured reasonably.

3.27.2 Income from dividend and interest

a) Dividend:

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

b) Interest:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate.

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

c) Income from Incentives from Government Agencies

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

3.27.3 Other Income

Revenue from rentals and operating leases is not applicable during the period FY 2021-2022.

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

Insurance claims are accounted for based on certainty of realisation.

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

3.28 Income Taxes

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

3.28.1 Current taxes

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

3.28.2 Deferred taxes

Deferred tax expense or income is recognized on temporary difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in computation of taxable profits.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on

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tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Tax relating to items recognized directly in other comprehensive income forms part of the statement of comprehensive income.
Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent it has become probable that sufficient taxable profits will be available to allow the asset to be recovered

3.29 Employee benefits

3.29.1 Short-term employee benefits

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

3.29.2 Post-employment and other long-term employee benefits

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

3.30 Earnings Per Share (EPS)

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

3.31 Cash flow statement

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

3.32 Exceptional items

Exceptional items are items of income and expenses within profit or loss from ordinary activities but of such size, nature or incidence whose disclosure is felt

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necessary for better explanation of the performance of the Company.

3.33 Restatement of material error / omissions

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

3.34 Critical judgments in applying accounting policies:

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

Financial assets at amortized cost

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

Key sources of estimation uncertainty:

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

Impairment of investments

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

Provisions

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

Prepaid Expenses

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

3.35 Fair Value Measurement

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

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability. The principle or the most advantageous market must be accessible by the Company.

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

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

Determination of Fair Value

1) Financial Assets

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

2) Financial Liabilities

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

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

Subsequent Measurement

Fair value through Profit & Loss

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

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statement of profit or loss.

3.36 Non-current assets held for sale and discontinued operations

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

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

3.37 Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

3.38 Restructurings

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

3.39 Restoration, rehabilitation and decommissioning

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

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

The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance

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and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance and other cost in the statement of profit or loss.

3.40 Environmental liabilities

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

3.41 Litigation

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

A Ind AS optional exemptions

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

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

B. Ind AS mandatory exceptions from retrospective application

1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2017 are consistent with the estimates as at the same

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BHUBANESWAR SMART CITY LIMITED

date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Fair Value of Security Deposits carried at FVTPL over the period of Lease Period

b) Investment in Associate Concern carried at Equity Method

2. Classification and measurement of financial assets and liabilities

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

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

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

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

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

T.K. AGARWALLA & CO. Chartered Accountants Bhubaneswar

BHUBANESWAR SMART CITY LIMITED

received).

3. Changes in Existing Decommissioning, Restoration and Similar Liabilities

The Company has elected to apply the exemption provided in Appendix D.D21 to D21Aof Ind-As 101 in determination of decommissioning, restoration and similar liabilities.

T.K. AGARWALLA & CO. Chartered Accountants Bhubaneswar

BHUBANESWAR SMART CITY LIMITED

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 Manoranjan Samantaray, Chief Financial Officer	Key Managerial Personnel
Shri Priya Brata Nayak, Company Secretary	Key Managerial Personnel

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

Particulars	As at March 31, 2022 (In Rs)	As at March 31, 2021 (In Rs)
Bhubaneswar Development Authority for BUKC	0	13,50,50,585
Bhubaneswar Municipal Corporation	22,45,800	67,37,400
CRUT	Nil	Nil
Remuneration to Key Managerial Personnel		
1) Short Term Employee Benefits:		
Shri R.Vineel Krishna,CEO (Till 24.06.2019)	Nil	Nil
Shri Prem Chandra Chaudhary, CEO	Nil	1,00,258
Shri Aravinda Routray,CFO (Till 19.09.2019)	Nil	Nil
Shri Manoranjan Samantaray, CFO	13,93,056	15,17,763
Shri Ajaya Kumar Majhi, Company Secretary	9,96,921	10,87,597

III. **Outstanding Balances:**

Particulars	As at March 31, 2022 (In Rs)	As at March 31, 2021 (In Rs)
Receivable		
Bhubaneswar Development Authority	8,86,780	6,16,435
Bhubaneswar Municipal Corporation	Nil	Nil
Payable		
Bhubaneswar Municipal Corporation	1,59,80,000	1,59,80,000
Bhubaneswar Development Authority for BUKC	Nil	Nil

Chartered Accountants * Bhubaneswar * ... AGARWALLA & CO.

BHUBANESWAR SMART CITY LIMITED *

NOTE -5
Earning per share (EPS)

Particulars	As at March 31, 2022 in Rs.	As at March 31, 2021 in Rs.
Net profit available for equity share holders	(19,93,92,292)	(28,78,16,703)
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	(7.98)	(11.51)
Weighted average number of equity shares for Diluted EPS	2,50,00,000	2,50,00,000
Diluted EPS	(7.98)	(11.51)

NOTE – 6

Contingent Liabilities and Commitments

There are no contingent liabilities as at March 31, 2022. However, for the purpose of disclosure of status of pending case at Hon'ble High Court with no financial implication towards contingent liabilities given below:

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

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

Capital Commitments

Particulars	Total Project awarded Cost	Total Expenditure incurred upto 31.03.2022	Balance Amount of Un- Executed Work as on March 31, 2022
	Rs.	Rs.	Rs.
ATSC	14,69,69,669.00	8,71,20,168.28	5,98,49,500.72
BMC ICOMC	83,02,00,000.00	76,40,97,932.12	6,61,02,068.88

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BHUBANESWAR SMART CITY LIMITED

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 recanted based on equity method. The Carrying amount of the investment is adjusted to recognize the Company's share of profit & loss of the investee after the date of acquisition.

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

Un Quoted Equity Shares in CRUT

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

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

T.K. AGARWALLA & CO. Chartered Accountants Bhubaneswar

BHUBANESWAR SMART CITY LIMITED

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 31.03.2022 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 2021-22.

NOTE-12

Fair Valuation of Financial Instrument:

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

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

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

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

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

NOTE-13

Plant, Property and Equipment: LAND (LEASE HOLD)

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

T.K. AGARWALLA & CO. Bhubaneswar Chartered Accountants

BHUBANESWAR SMART CITY LIMITED

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	FY 2021-22
Social Equity Center	Ac. 0.666 Dec.	1.00			1.00	1.00	1.00
MLCP, Saheed Nagar	Ac. 0.734 Dec.		1.00		1.00	1.00	1.00
MLCP, Unit-II	Ac. 0.974 Dec.		1.00		1.00	1.00	1.00
IPSC-Saheed Nagar	Ac. 0.319 Dec.		1.00		1.00	1.00	1.00
IPSC-Bapuji Nagar	Ac. 0.268 Dec.			1.00	1.00	1.00	1.00
Total		1.00	3.00	1.00	5.00	5.00	5.00

For T.K.Agarwalla & Co.
Chartered Accountants
FRN: 325201E

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

Nityananda Nayak
Partner
M. No: 302878

Company Secretary

Chief Finance Officer

Director
DIN:

Director
DIN:

Partner
M. No: 302878
Date: 23/12/2022
Place: Bhubaneswar

T. K. AGARWALLA & CO.
CHARTERED ACCOUNTANTS

To
The Additional Deputy Comptroller,
& Auditor General (Commercial Audit),
Office of the C & AG of India,
10, Bahadur Shah Zafar Marg,
New Delhi-110124

Sub: Submission of Statutory Audit Report, Audited Accounts along with observation relating to Bhubaneswar Smart City Limited. For the Year 2021-22.

Ref: **CA. V/COY/ODISHA, BRSCL (1)/1403 Dated 26/08/2021.**

Dear Sir,

Please find enclosed herewith our Audit Report u/s 139 of the Companies Act, 2013 and the Audited balance sheet as on 31.03.2022 and Profit and loss account and cash flow statement for the year ended as on that date of M/S Bhubaneswar Smart City Limited along with our observations as per Companies Act 2013 for kind information & necessary action.

Assuring you of our best professional services always.

Thanking You

Yours faithfully,

For T.K AGARWALLA & CO.
Chartered Accountants

(CA. N. NAYAK)
Partner
M.no-302878

Date:

CC to: (1) Accountant General (Audit-II), Bhubaneswar, Odisha.

(2) The MD, Bhubaneswar Smart City Limited, Bhubaneswar

Received
25-01-2023
AAO/AMG-II

www.tka.org.in

Flat No. 202, Block- B 1, Vaishno Monarch Apartment, Rasulgarh Industrial Estate, Bhubaneswar-751010, Odisha
Phone: 0674-2549343, E-mail: tka_andco@yahoo.com

E-207, 1st Floor, Indra Park, Sastri Nagar, Delhi-110052, Ph.: +91-11-23652684, E-mail: vikasomca@yahoo.com

Bhubaneswar Smart City Limited
Block-1, 5thFloor, BMC- Bhawani Mall, Saheed Nagar, Bhubaneswar- 751007,
E-mail Id: bbsr.bscl@gmail.com, CIN: U74990OR2016PLC020016
Ph. No.: 2548408/2548228

Letter No 131 /BSCL/01/2023 Dt. 24.01.2023

To
The Sr. Audit Officer (Commercial),
Office of the Accountant General (Audit-II)
Odisha, Bhubaneswar-751001

Sub: - Submission of Statutory Audit Report for the FY 2021-2022.

Respected Sir,

In inviting a reference to the subject cited above Statutory Audit Report for the Financial Year 2021-2022 has been received from Statutory Auditor, T.K AGARWALLA & CO as per the Companies Act 2013 (U/s 139). Kindly find the enclosed Audited Balance Sheet as on 31/03/2022, Profit and Loss Account & Cash Flow Statement for the year ended as on that date along with observations relating to Bhubaneswar Smart City Limited for kind information and necessary action.

Encl. as above

Received
25.01.2023
AAO/AMG-II

Yours Faithfully,

24.1.23
Chief Finance Officer
Bhubaneswar Smart City Limited

T. K. AGARWALLA & CO.
CHARTERED ACCOUNTANTS

BSCL

To
The Additional Deputy Comptroller,
& Auditor General (Commercial Audit),
Office of the C & AG of India,
10, Bahadur Shah Zafar Marg,
New Delhi-110124

Sub: Submission of Statutory Audit Report, Audited Accounts along with observation relating to Bhubaneswar Smart City Limited. For the Year 2021-22.

Ref: **CA. V/COY/ODISHA, BRSCL (1)/1403 Dated 26/08/2021.**

Dear Sir,

Please find enclosed herewith our Audit Report u/s 139 of the Companies Act, 2013 and the Audited balance sheet as on 31.03.2022 and Profit and loss account and cash flow statement for the year ended as on that date of M/S Bhubaneswar Smart City Limited along with our observations as per Companies Act 2013 for kind information & necessary action.

Assuring you of our best professional services always.

Thanking You

Yours faithfully,

For T.K AGARWALLA & CO.
Chartered Accountants

(CA. N. NAYAK)
Partner
M.no-302878

Date: 30/12/2022

CC to: (1) The Senior Audit officer, Office of the Principal Accountant General (Economic & Revenue Sector Audit), Bhubaneswar, Odisha.

(2) The MD, Bhubaneswar Smart City Limited, Bhubaneswar

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Phone: 0674-2549343, E-mail: tka_andco@yahoo.com

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T. K. AGARWALLA & CO.
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of
M/s BHUBANESWAR SMART CITY LIMITED

Report on the Ind AS financial statements

OPINION

We have audited the accompanying Ind AS financial statements of **BHUBANESWAR SMART CITY LIMITED** ("hereinafter referred to as the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the Ind AS 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

T. K. AGARWALLA & CO. Chartered Accountants Bhubaneswar

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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 determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	Auditor's Response
1	**Transition to Ind AS**. The company has adopted Ind AS from 1st April, 2018 with an effective date of 1st April, 2017 for such transition. For the periods upto and including the year ended as on 31st March, 2018, it had prepared and presented its financial statements in accordance to erstwhile generally accepted accounting principles in India (Indian GAAP). To give the effect of transition to Ind AS, these financial statements for the year ended as on 31st March, 2019 together with the comparative financial information for the previous year ended 31st March 2018 and the transition date Balance Sheet as at 1st April, 2017 have been prepared under Ind As	• Read the Ind As impact assessment performed by the management and the resultant changes made to the accounting policies considering the requirements of the new framework. • Evaluated the exemptions and exceptions allowed by Ind AS and applied by the management in applying the first-time adoption principle of Ind As 101 in respect of fair valuation of assets and liabilities existing as at transition date. • Tested the disclosure prescribed under Ind AS and accounting adjustments passed as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.
2	Recognition, presentation and disclosures of revenues and other related balances.	Govt. Grants towards the capital expenditures has been kept under capital reserve and shall be adjusted against the capital assets after the completion of the particular construction. Interest income received on accounts of govt. Grant for capital layout is capitalized and not shown as income.

T.K. AGARWALLA & CO. Bhubaneswar Chartered Accountants

Information Other than the Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon. Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Ind AS 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

T.K. AGARWALLA & CO. Bhubaneswar Chartered Accountants

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

Auditor's Responsibilities for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of

T.K. AGARWALLA & CO. Bhubaneswar Chartered Accountants

accounting estimates and related disclosures made by management.

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

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

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

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

From the matters communicated with those charged with governance, we determine those

T.K. AGARWALLA & CO. Bhubaneswar Chartered Accountants

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, subjects to our observations as reported in **"Annexure - A"** to this report.
   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 Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e. On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors of the company none of the directors of the company, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure - B"** to this report.
   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:

T.K. AGARWALLA & CO.
Bhubaneswar
Chartered Accountants

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.

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

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

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") 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 paragraphs 3 and 4 of the Order.

Place: Bhubaneswar
Date: 27/12/2022

For T K Agarwalla & Co
Chartered Accountants
FRN:0325201E

(CA. N .NAYAK)
Partner
Membership No: 302878
UDIN: 23302878BGYFSW4445

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

(Referred to in paragraph 1 (b) of Report on Other Legal and Regulatory Requirements of our report of even date).

We report that:

1. Non compliance to previous year statutory audit observation

a. An amount of Rs. 29,32,18,815 has been expended towards BUS QUE SHELTERS through Capital Region Urban Transport and accounted under Capital-Work-In-Progress without proper written agreement with Capital Region Urban Transport (CRUT). Therefore, in the absence of valid agreement we are unable to comment on the justification of financial transactions made with Capital Region Urban Transport (CRUT). The said amount still lying under Capital-Work-In-Progress since last 3 years. The company has not taken any steps to compliance the same.

b. In previous financial years company had paid of Rs 5,90,00,000 including GST to M/S Capital region Urban Transport towards Design, procure, install , operation and maintenance of 2,000 nos of Public Bicycle sharing system . No contract exists between Bhubaneswar smart city limited and M/S Capital region Urban Transport with respect to the said activity. AS no proper written agreement available with the company with respect to above activity, we are unable to comment on the financial transactions with M/S Capital Region Urban Transport (CRUT). The company has not taken any steps to compliance the same.

c. As Reported by the previous statutory auditors that smart city sanitation expenses of Rs. 5,29,80,000/- has been made through Commissioner Bhubaneswar Municipal Corporation by passing a provision entry in the books of account in the financial year 2018-19 without proper supporting document i.e the details of expanses bill and voucher but on the basis of simple letter received from Bhubaneswar Municipal Corporation for disbursement. The company disbursed an amount of Rs 3,70,00,000 on dated 31/10/2019 against the outstanding amount of Rs 5,29,80,000 without availability of any proper supporting evidence of the expanses booked in earlier years. Amount was payable to Commissioner Bhubaneswar Municipal Corporation as on 31/03/2020 of Rs 1,59,80,000. During the year under audit we found that, no amount has been paid to Commissioner Bhubaneswar Municipal Corporation during the financial year 2021-22. The amount of Rs 1,59,80,000 still payable to Commissioner Bhubaneswar Municipal Corporation as on 31/03/2022 in the books of account of the company. The

T.K. AGARWALLA & CO. Bhubaneswar Chartered Accountants

company has not taken any steps to compliance the same

d. Bill amount of Rs 3,05,57,304 including GST & labour cess entry in the books of accounts under the MSI project expanses on dated 24/04/2020 against 10TH RA bill dated 06/02/2020 submitted by **Honney well Automation India Ltd** towards installation , system acceptance & subsequent mile stone 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 contractor towards installation, system acceptance & subsequent mile stone of 160Nos 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 on 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 contractor & the company has already been paid for supply cost of OBU'S in previous financial years. The company has not taken any steps to compliance the same.

e. During the year under audit we found that the company has been 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 bill , voucher & utilization certificate. The same has been booked as revenue expanse in the books of accounts under the head operating expenses. Therefore, in absence of proper supporting documents we are unable to comment on the expenses.

2. On 10/02/2021 an amount of Rs 29,50,000 including GST paid to Dharani Enterprise against bill no BBS/01/2020-21 dated 23/12/2020 towards 1st operational & maintenance of 500 public bicycle @ 5000 each and during the year under audit the company has also paid an amount of Rs 29,08,700 on dated 07/10/2021 and of Rs 29,08,700 on date 31/03/2022 inclusive of GST toward 2nd & 3rd year operational & maintenance of 493 public bicycle @ 5000 each. No contract exists between Dharani Enterprise & Bhubaneswar Smart City Limited for operation & maintenance of 500 public bicycle. AS no proper written agreement available with the company with respect to the above activity, we are unable to comment on the financial transactions with M/S Dharani Enterprise.

T.K. AGARWALLA & CO. Bhubaneswar Chartered Accountants

3. On 10/02/2021 an amount of Rs 29,50,000 including GST paid to Yulu Bikes private limited against bill no INV/2019-20/0042 dated 31/01/2020 towards 1st operational & maintenance of 500 public bicycle @ 5000 each. and during the year under audit the company has also paid an amount of Rs 29,50,000 on dated 07/10/2021 towards 2nd year operational & maintenance of 500 public bicycle @ 5000 each inclusive of GST. No contract exists between Yulu Bikes private limited & Bhubaneswar Smart City Limited for operation & maintenance of 500 public bicycle. AS no proper written agreement available with the company with respect to the above activity, we are unable to comment on the financial transactions with M/S Yulu Bikes private limited.

4. In previous financial years the company had paid of Rs 5,90,00,000 to M/S Capital region Urban Transport towards Design, procure, install, operation and maintenance of 2000 nos public bicycle sharing system. During the course of our audit, we asked for producing the physical verification report of 2000 nos of public bicycle but the company has not produced to us physical verification report of 2000 nos of public bicycle. However, in last year audit i.e F.Y 2020-21 the management of the company produce physical verification report of 946 nos public bicycle out of 2000 Nos of public bicycle.

5. During the year under audit, we observed that the total ITC Balance as on 31/03/2022 as per GSTR –Credit ledger in GSTN portal is 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-2B of the company available through GSTN online portal. At present the company has not reconciled the same to assure the amount paid as taxes, actually being deposited with the concerned authorities.

Place: Bhubaneswar
Date: 27/12/2022

For T K Agarwalla & Co
Chartered Accountants
FRN:032520E

(CA. N .NAYAK)
Partner
Membership No: 302878
UDIN: 23302878BGYFSW4445

"**Annexure - B**" to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of **BHUBANESWAR SMART CITY LIMITED**

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

We have audited the internal financial controls over financial reporting of **BHUBANESWAR SMART CITY LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding

T.K. AGRAWALLA & CO. Bhubaneswar Chartered Accountants of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS 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 consolidated Ind AS 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.

T.K. AGARWALLA & CO.
Bhubaneswar
Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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". However the internal audit process needs to be further strengthened covering all aspects of business activity of the entity .

Place: Bhubaneswar
Date: 27/12/2022

For T K Agarwalla & Co
Chartered Accountants
FRN:0325201E

(CA. N .NAYAK)
Partner
Membership No: 302878

UDIN:23302878BGYFSW4445

Annexure - C

(Referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date).

Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the Company for the year ended March 31, 2022:

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 explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations 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 project in such land. However the copy of users right of the land of the following project not available with the company for our verification:

- IPSC (Saheed Nagar)
- SOCIAL EQUITY CENTER
- IPSC, BAPUJI NAGAR
- SENSORY PARK
- SAMRT PARK- SAHEED NAGAR

(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 explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties

T.K. AGARWALLA & CO. Bhubaneswar Chartered Accountants

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 explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

4) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions 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 not applicable to the company for the Current Financial Year.

6) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, 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 the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, duty of excise, cess and other statutory dues were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

b) As at March 31st 2022 details of disputed statutory dues of income tax, sales tax, Value added tax and Entry tax are as follows:

Sl No	Period	Name of the Tax Law	Demand Amount (Rs) in Lakhs	Forum in which pending
1	NIL			

7) The Company has not defaulted in repayment of dues to any financial institutions, banks and debenture holders.

8) The Company has not raised moneys 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.

T.K. AGARWALLA & CO. Bhubaneswar Chartered Accountants

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

4) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions 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 not applicable to the company for the Current Financial Year.

6) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, 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 the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, duty of excise, cess and other statutory dues were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

b) As at March 31st 2022 details of disputed statutory dues of income tax, sales tax, Value added tax and Entry tax are as follows:

Sl No	Period	Name of the Tax Law	Demand	Forum in which pending
			Amount (Rs) in Lakhs	
1	NIL			

7) The Company has not defaulted in repayment of dues to any financial institutions, banks and debenture holders.

8) The Company has not raised moneys 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.

T.K. AGARWALLA & CO.
Bhubaneswar

9) During the course of our examination of books of account carried out in accordance with the generally accepted auditing practices in India and in our opinion and as per information and explanations given to us no fraud by the company or 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 the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

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 disclosed in the Ind AS financial statements as required by the applicable accounting standards.

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

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 provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

16) Based on the overall review of standalone[1] financial statements, 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 (xviii) of the Order are not applicable to the Company.

18) According to the information and explanations given to us and based on our examination

T.K. AGARWALLA & CO. Bhubaneswar Chartered Accountants

of financial ratios, ageing and expected date of realization of financial assets and payment of liabilities, other information accompanying the standalone[1] 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 of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date

Place: Bhubaneswar
Date: 27/12/2022

For T K Agarwalla & Co
Chartered Accountants
FRN:0325201E

(CA. N .NAYAK)
Partner
Membership No: 302878
UDIN:23302878BGYFSW4445

Annexure-I

Directions under section 143 of the Companies Act, 2013

For the Annual Accounts of 2021-22

S.I No	Directions	Remarks
General Direction		
1	Whether the Company has clear title lease deeds for free hold and leasehold respectively? If not, please state the area of free hold and leasehold land for land which title/lease deeds are not available.	No. Title deeds of all lands included in fixed assets/WIP are not in the name of the Company. Only Users right given to the company for construction of specified project in such land.
2	Whether there are any cases of waiver/write-off of debts/loans/interest etc., if yes, the reasons there for and amount involved.	No
3	Whether proper records are maintained for inventories lying with third parties & assets received as gifts/grants from Government or other authorities?	The company does not hold any inventories. As payments are made on the basis of running bills after completion & certification of work by the authority concerned so inventories of contractors awarded the work are not of BSCL.
Sector specific direction(Infrastructure)		
1.	Whether the company has taken adequate measures to prevent encroachment of idle land owned by it? Whether any land of the Company is encroached under litigation not put to use or declared surplus? Details may be provided?	Company does not own any land as no title deeds of land was with the company. The lands on which construction is going on are under WIP & without any encroachment.
2.	Whether the system in vogue for identification of projects to be taken up under Public Private Partnership is in line with the guidelines/policies of the government? Comment on the deviation if any.	No project is taken up on the basis of PPP mode by the company.
3.	Whether system of monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost	Yes

	escalation, if any, revenues/losses from contracts, etc. have been properly accounted for in the books?	
4.	Whether funds received/receivable for specific schemes from Central/state agencies were properly accounted for/utilized? List the cases of deviations.	Yes
5.	Whether the bank guarantees have been revalidated in time?	Yes
6.	Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.	Balance confirmation was available from banks. But balance confirmation from trade Receivable & Trade payables was 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.

For T K AGARWALLA & Co
Chartered Accountants
FRN-0325201E

(CA. N.NAYAK)

Partner

Membership No: 302878
UDIN:23302878BGYFSW4445

Date: 27/12/2022

Place: Bhubaneswar

Note Sheet

UOI NOTE

UOI No. 146 /BSCL/2023
Date. 25.01.2023

Sub- Submission of Statutory Audit Report, Audited Accounts along with observation relating to Bhubaneswar Smart City Limited. For the year 2021-22.

Ref- CA. V/COY/ODISHA, BRSCL (1)/1403 dated 26/08/2021

In inviting a reference to the subject cited above, I am to forward herewith the Statutory Audit Report, Audited Accounts along with observation relating to Bhubaneswar Smart City Limited for the year 2021-22 received from Statutory Auditor T.K Agarwalla & Co, Chartered Accountants for further necessary action at your end.

Yours faithfully,

25.1.23

Chief Finance Officer
Bhubaneswar Smart City Limited.

General Manager (Admin/Tech)
Company Secretary, BSCL