BHOPAL SMART CITY DEVELOPMENT CORPORATION LTD.

4th Annual Report 2019-2020

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WHAT IS BHOPAL SMART CITY DEVELOPMENT CORPORATION?

The Bhopal Smart city vision is an idea to transform the state capital of Madhya Pradesh into a future ready Smart City with enhanced livability workability and sustainability. To archive its desired aims and objectives, the Bhopal Smart City vision will follow an approach focused on re-strengthen, re-developing, re-structuring and re-defining the Infrastructure, Life Style, Economy and Ecosystem

The core infrastructure elements in a Bhopal Smart City would include:

- Adequate water supply
- Assured electricity supply
- Sanitation, including solid waste management
- Efficient urban mobility and public transport
- Affordable housing, especially for the poor
- Robust IT connectivity and digitalization
- Good governance, especially E-governance and citizen participation
- Sustainable environment,
- Safety and security o citizens, particularly women, children and the elderly, and health and education.

As per the Govt. Resolution no. F-10-22/2016/18-2 dated 10/03/2016, the composition of the Special Purpose Vehicle for Bhopal Municipal Corporation was approved. Thereafter, a Special Purpose Vehicle (SPV) company called the Bhopal Smart City Development Corporation Limited was established on 14 March 2016, under the companies act 2013.BSCDCL is owned by the **G**overnment of MP and is equally managed by Madhya Pradesh Urban Development Company Limited (MPUDCL) and Bhopal Municipal Corporation (BMC). BSCDCL'S sole objective is to implement the vision of the Smart City Proposal which comprises of the three elements i.e. R**etrofitting, Redevelopment and Greenfield** and Bhopal comes under the purview of R**e-development.**

VISION

Transforming city of lakes, its tradition and heritage which is a leading derivation for a smart, connected, and eco-friendly communities which can focus on education, research, entrepreneurship, and tourism”

OBJECTIVES

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

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

  a) Transportation & Mobility,

  b) Water supply & Sewage,

  c) Waste Sanitation,

  d) Environment & Sustainability,

  e) Safety & Security and

  f) Energy.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. AVINASH LAVANIA
CHAIRMAN & COLLECTOR

MR.K.V.S. CHOUDARY
EXECUTIVE DIRECTOR

MR. ANKIT ASTHANA
CEO & DIRECTOR

MR.GAURAV BENAL
NOMINEE DIRECTOR

MR. YOGESH ANTIL
NOMINEE DIRECTOR

MR.AMAN PASTOR
NOMINEE DIRECTOR

MR. BUDDESH VAIDYA
NOMINEE DIRECTOR

MR.C.K.SADHAV
NOMINEE DIRECTOR

MR.PURUSHOTTAM KAUSHIK
INDEPENDENT DIRECTOR

MRS.NAMRATA KAUL
INDEPENDENT DIRECTOR

MR. NAYAN PARIKH
INDEPENDENT DIRECTOR

KEY MANAGERIAL PERSONNEL

Mr.Yogesh Khakre
Company Secretary

Mr. Sunil Singh Bhadoriya
Chief Financial Officer

SENIOR MANAGEMENT

Mr. P.K. JAIN
Subrident Engineer

Mr. Jolly Jain
Administrative Officer

REGISTERED OFFICE

Zone-14, Bhopal Municipal Corporation, BHEL,
Govindpura, Bhopal - 462023 (MP)

STATUTORY AUDITOR

ARUN KUMAR JAIN & ASSOCIATES
Chartered Accountants
64, Civil Lines, Near Kilol Park, Above Bank of India,
Bhopal-2, Phone-26600035

PRINCIPLE BANKS

Allahabad bank
E1/74 Arera Colony, Bhopal, Madhya Pradesh

NOTICE OF 4th ANNUAL GENERAL MEETING

Dear Sir/Madam,

Notice is hereby given that Third Annual General Meeting of Bhopal Smart City Development Corporation Limited (CIN: U70100MP2016SGC035540) will be held on 16th September,2022 at office of BSCDCL i.e., Zone-14 near Tatpar petrol Pump, B.H.E.L Govindpura, Bhopal (M.P.) interalia to transact the following business.

Ordinary Business-

1. To receive, consider, approve and adopt the Audited Balance sheet as at 31st March 2020 and statement of Profit and loss account and Cash Flow Statement for the year ended 31st March, 2020 on that date with report of Directors.

The financial Statements for the year ended 31st March 2020 were approved by Audit Committee on 28.07.2021 forwarded the same to the Board of Directors for their approval.

Board approved the same vide resolution no.05 dated: 30th July,2021 and directed to submit to Statutory Auditor and further to CAG for supplementary Audit report thereon.

The members shall therefore be furnished with the Balance Sheet of the Company as on 31st March, 2020 with the Comptroller and Auditor General of India (CAG) Comments and the representations provided by the management, the Profit & Loss Account for the year ended & Director's Report attached thereto including the annexure attached thereto for their approval. Hence, if approved the following resolution may be passed:

"**RESOLVED THAT** the Balance Sheet of the Company as on 31st March, 2020 with the Comptroller And Auditor General of India (CAG) Comments, the Profit & Loss account for the year ended on that date together with the schedules thereto, along with the reports of the directors and the auditors as circulated to all the members and tabled before the meeting be and are hereby approved and adopted."

By order of the Board of Directors
For Bhopal Smart City Development Corporation Limited

Sd/-

Place: Bhopal **Yogesh Khakre**
Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy so appointed need not be a member of the company. The instrument appointing proxy should, however, be deposited at the registered office of the company at least forty eight hours before the time of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable.

2. Members desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.

3. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial year 2016-17 are being sent by e-mail.

4. Relevant documents referred to in the Notice, statutory register and the Statement pursuant to Section 102(1) of the Companies Act, 2013 will be available for inspection by the members at the Registered Office of the Company during normal business hours on working days up to the date of the Annual General Meeting.

BOARD’S REPORT

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FORTHE FINANCIAL YEAR ENDED 31ST MARCH, 2020

To

The Members,

Bhopal Smart City Development Corporation Limited

Your Directors have pleasure in presenting the Third Boards’ Report of the Company together with audited Statement of Accounts and the Auditors’ Report of your company for the financial year ended **31st March, 2020.**

A. OPERATIONAL RESULTS

The financial performance of the Company during the second financial year ended on 31st March 2020 is summarized hereunder-

B. PROFIT AND LOSS ACCOUNT

PARTICULARS	**For the Financial Year ended March 31,2019 (Rs. in lakhs)**
Revenue from operation	141.00
Other income	707.32
Total Revenue	**849.01**
Expenses:	
Employee benefit expense	168.45
Depreciation and amortization expenses	4.26
Finance Cost	90.74
Other expenses	585.56
Total Expense	**849.01**
Profit before interest and tax & exceptional items	0
Exceptional Items	0
Payment of interest	0
Profit before extra-ordinary items	0
Extraordinary Items	0
Profit(Loss) before tax	0
Tax Expense: Current Tax Deferred Tax	 0 0
Profit (Loss) after tax	0

PERFORMANCE HIGHLIGTS

The Company initiated executed projects under the Smart City Plan, a few of which were deployed and several under various stages of execution. During the period under review, the Company has earned 707.32 Crores of Income from other sources mainly from Interest earned out of fixed deposits including appropriation of grant received.

C. RESERVES

The Company does not have any profit to create reserves for the period under review.

D. DIVIDEND

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

E. STATUS OF PROJECTS

In the approach to the Smart Cities Mission, the objective is to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of '**Smart**' Solutions.

1.Solid Waste Management Transfer Station:

Solid waste management (SWM) has become one of the primarily focused areas of such initiatives. The changing dynamics of urban waste characteristics due to unplanned urbanization and rapid growth in urban populations (due to migration) has been a significant concern for local authorities in urban areas to develop an effective SWM plan. The development of a long-term SWM plan along the line of the government initiatives' objectives requires understanding the waste quantities, characteristics, and existing waste management practices. This paper presents an overview of existing waste management activities, financial and institutional demographics in six selected Indian Smart Cities, and the field studies to assess SWM systems as per the waste management rules. The study involved a participatory approach to collect data from local bodies and stakeholders. Indicative strategies for the development of waste management systems were formulated based on the outputs of this analysis. Discussion on pathways includes waste characterization, funding sources, data technologies, and service level benchmarking to plan an integrated solid waste management system for a Smart City. The outcomes of this study shall equip local authorities in designing waste systems to accelerate the transition towards innovative and sustainable waste systems.

2. **Water Utility Management System:**

The Central Water Commission suggests that India is not a water-scarce country. It has a water resource potential of 1,869 billion cubic metres. However, more than 40 per cent of the water produced in many cities is wasted before reaching the final consumer due to leaks or thefts.

Thus, reducing water losses, and maintaining water quality and adequate supply is very important for the efficiency and financial sustainability of water utilities across Indian cities. The current water scenario demands the optimisation of water resources and integrated comprehensive solutions to build a modern and real-time water management system in the country.

3. **Arch Bridge**

Ancient time bridges are built with stone, timber and brick masonry. The use of reinforced concrete, modernstructural steel, prestressed concrete and recently developed composite sections (CFST) give the opportunity for construction and development of long span arch bridges under seismic effects. In long span bridges the natural vibration response of the arch bridge plays an important role in the seismic design of arch bridge, which may include natural frequencies of vibration and vibration mode shape of arch bridges in structural dynamic analysis. For longer span bridges the lateral direction vibration is more and hence the arch rib is required stiffer, stronger and durable which satisfied by the steel tube (ST) circular sections. The ST composite section provides more stiffness in earthquake because of the composite action in between steel tube. The proposed arch bridge on lower lake is an example developing the arch bridge in Bhopal.

F. SHARE CAPITAL

The authorized share capital of the company as of March 31, 2020 is Rs. 200, 00, 00,000/- comprising of 20, 00, 00,000 equity shares of Rs.10/- each.

G. Composition of Board of Directors

Name of Director(s)		
	As on 31st March, 2020	**As on the date of Board's Report**
1.	Shri Tarun Kumar Pithode District Collector, Bhopal	Shri Avinash Lavania District Collector, Bhopal
2.	Shri B.Vijay Datta Commissioner, Bhopal Municipal Corporation	Shri K.V.S. Choudary Commissioner,Bhopal Municipal Corporation
3.	Shri Deepak Singh CEO BSCDCL	Shri Ankit Asthana CEO BSCDCL
4.	Shri Janardan Prasad Director UT-II MOUD	Shri Yogesh Antil Director UT-II MOUD
5.	Shri Swantra Kumar Singh Additional Commisioner UADD	Shri Gaurav Benal Additional Commisioner UADD
6.	Shri Abhilash Dubey Joint Director Finance, UADD	Shri Aman Pastor Joint Director Finance, UADD
7.	Smt Sunita Singh Joint Director, Town & Country Planning	Shri C.K. Sadhav Joint Director, Town & Country Planning
8.	Smt Anju Pawan Bhadoriya CEO, BDA	Shri Buddhesh Kumar Vaidya CEO BDA
9.	Shri Purushottam Chandra Kaushik Independent Director	Shri Purushottam Chandra Kaushik Independent Director
10.	Smt Namrata Kaul Independent Director	Smt Namrata Kaul Independent Director
11.	Shri Nayan Parikh Independent Director	Shri Nayan Parikh Independent Director

Present Composition:

* Nominated by state government of Madhya Pradesh- formalities of appointment to be completed.

There have been the following changes in the Directors of the Company during the financial year ended 31st March 2020:

S.no	Position	With effect	Change	
			From	**To**
1.	Director-BSCDCL CEO-BSCDCL	08.06.2019	Shri Sanjay Kumar	Shri Deepak Singh
2.	Director-BSCDCL (Collector-Bhopal)	12.06.2019	Shri Sudam Khade	Shri Tarun Kumar Pithode
3.	Director-BSCDCL (CEO-BDA)	05.07.2019	Shri Buddhesh Kumar Vaidya	Shri Anju Pawan Bhadoriya
4.	Director-BSCDCL	05.07.2019	Shri A.K. Paliwal	Shri Abhilash Dubey

	Joint Director Finance, UADD			
5.	Director-BSCDCL Additional Commissioner, UADD	06.12.02019	Shri Rahul Jain	Shri Swantra Kumar Singh
6.	Director-BSCDCL Independent Director	24.12.2019	Shri Piyush Mathur	Shri Nayan Parikh

The Board of Directors of the company consists of representatives of the Central government, State government, Bhopal Municipal Corporation, Independent Directors and Executive Director of the company. In accordance with the Smart City Mission guidelines, government orders and Articles of Association of the Company. During the Financial year and up to the end of financial year date there were changes in the authorized representatives of certain positions which were duly noted and approved at the respective Board meetings (details mentioned in Table above).

H. SUBSIDIARIES AND ASSOCIATE COMPANIES

B-Nest Foundation (Company registered under Section 8 of Companies Act, 2013) is a wholly owned subsidiary of the Company and was incorporated on May 8th 2020. The Company is engaged in the activities related to promoting, incubating, assisting sustainable start-ups along with providing and promoting synergies among interested/ relevant entrepreneurs etc.

I. SECRETARIAL AUDITOR

The provisions of Section 204 of the Companies Act, 2013 with respect to secretarial audit are applicable to the company for the financial year 2019-20. Accordingly, Company has engaged M/s Piyush Bindal& Associates, Practicing Company Secretaries to conduct the Secretarial Audit for the financial year and the Secretarial Audit Report in prescribed format is enclosed to the Board's Report, which is self-explanatory in itself**. (Annexure-II).**

J. DEPOSITS

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

K. EXTRACT OF ANNUAL RETURN

In term of Section 134(3)(a), read with Rule 12 of the Companies Management & Administration Rules, 2014, extract of the Annual Return of the Company made out in Form No. MGT-9 is attached to this report as (**Annexure-I).**

L. DETAILS OF BOARD MEETINGS

In term of Section 134(b) of the Companies Act, 2013, against the minimum requirement of four meetings, your board met five times during the period started from 01st April 2019 and ended on 31st March 2020 the details of the meetings are given below-

Board Meeting Number	**Date of Meeting**
01	25 May, 2019
02	27 June,2019
03	21 August,2019
04	11 December,2020
05	05 February,2020

Your directors are pleased to report further that in the matter of Board Meetings your company sought to comply with the Secretarial Standard on Board Meeting prescribed by the Institute of Company Secretaries of India and circulated agenda and notes of meetings to Directors well in advance and in defined agenda format incorporating all material information therein thereby facilitating meaningful and focused discussions at the meetings. Where it is not been practicable to attach any document to the agenda, it is tabled at the meeting itself. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are tabled with the permission of the Chair.

Composition of Audit Committee

Audit Committee of the Company has been constituted as per the provisions of section 177* of the Companies Act 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014 on 28, July 2018 and its Composition is provided herein below:-

S.NO	Members of the Committee as on 31 March,2020	Members of Committee as on date of Board Report
1.	Shri Rahul Jain, (Director, Town & Country planning as Nominee Director of MPUDCL)	Shri Gaurav Benal, (Director Town and Country Planning as Nominee Director of MPUDCL)
2.	Shri A. K. Paliwal, (Joint Director, Finance UADD)	Shri Aman Pastor (Joint Director, Finance UADD)
3.	Shri Purushottam Kaushik, (Independent Director, BSCDCL)	Shri Purushottam Kaushik, Independent Director
4.	Smt Namrata Kaul , (Independent Director, BSCDCL)	Smt Namrata Kaul , Independent Director
5.	Shri Piyush Kumar Mathur, (Independent Director, BSCDCL)	Shri Nayan Parikh, Independent Director

*The Audit Committee has been reconstituted as per Board Resolution no.08 of the meeting dated 28.06.2019.

Composition of Nomination and Remuneration Committee

Nomination And Remuneration Committee of the Company has been Constituted as per section 178*of the Companies Act 2013, and Companies (Meetings of Board and its Powers) Rules, 2014 on 28, July 2018 and its composition is provided herein below:-

S.No	Members of the Committee as on 31 March,2019	Members of Committee as on date of Board Report
1.	Shri Purushottam Kaushik (Independent Director, BSCDCL)	Shri Purushottam Kaushik (Independent Director, BSCDCL)
2.	Shri Rahul Jain (Director, Town & Country planning as Nominee Director of MPUDCL)	Shri Aman Pastor (Director, Town & Country planning as Nominee Director of MPUDCL)
3.	Shri A K Paliwal (Joint Director, Finance UADD)	Shri Aman Pastor (Joint Director, Finance UADD)
4.	Shri Piyush Mathur (Independent Director, BSCDCL)	Shri Nayan Parikh (Independent Director, BSCDCL)
5.	Smt Namrata Kaul (Independent Director, BSCDCL)	Smt Namrata Kaul (Independent Director, BSCDCL)

*The Nomination And Remuneration Committee has been reconstituted as per Board Resolution no. Board Resolution no.08 of the meeting dated 28.06.2019.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS

During the period under report, no loans were advanced, guarantee given and investments made that attract the provisions contained under Section 186 of the Companies Act, 2013 and that, therefore, the company has nothing to disclose under the aforesaid provision of the Act.

M. INTERNAL AUDIT REPORT AND INTERNAL FINANCIAL CONTROL

With a view to strengthening the existing mechanism for corporate governance and ensuring greater transparency in the Indian Corporate, the Companies Act, 2013 has re-emphasized the importance of a robust internal controls environment by introducing the concept of an Internal Financial Controls (IFC).As per Section 138 of the Companies Act,2013 the Company falls under the purview of internal Audit and has mandated to engage the services of M/s Jayant Kothari & Company, Chartered Accountants as the Internal Auditor of the Company for the Financial year ended 31st March 2018-2019.

Your Company believes that freedom of management should be exercised within a framework of appropriate checks and balances and, therefore, it remains committed to ensuring effective internal controls that, among others, provide an assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds, errors, accuracy and completeness of accounting records and facilitates accurate, reliable and timely preparation of requisite financial statements.

N. POLICIES TO BE FRAMED IN THE COMPANY

Following Policies has been adopted by the company as per the requirement of Companies Act 2013.

S.NO.	POLICIES
1.	Vigil Mechanism Policy.
2.	Risk Management Policy.
3.	Policy for Prevention of Sexual Harassment of women at workplace.
4.	Code of conduct for Board of Directors and Senior Management.
5.	Role of independent Directors terms & conditions for their appointment.

O. SIGNIFICANT MATERIAL ORDER PASSED AND INSTRUCTION FROM COURTS, TRIBUNAL THAT CAN AFFECT EXISTENCE OF THE COMPANY

During the period under no significant orders were passed and not instructions are given by any court, tribunal, regulators that could impact the going concern status of your Company. The financial statements of the Company for the year under report have been compiled based on going concern concept.

P. RELATED PARTY TRANSACTIONS

As per provisions of section 188 are not applicable during the period under review. None of Directors has any material pecuniary relationships or transaction vis-a- vis the Company.

Q. RELATIONSHIP BETWEEN BHOPAL MUNICIPAL CORPORATION AND THE COMPANY

Bhopal Smart City Development Corporation Limited is a Special Purpose Vehicle (SPV) incorporated to plan, design, develop, implement, manage, maintain, operate, and monitor the Smart City Development projects for the city of Bhopal, promoted by Government of Madhya Pradesh and Urban Local Bodies represented through Madhya Pradesh Urban Development Co Limited (MPUDCL) and Bhopal Municipal Corporation (BMC) respectively and all the directors are nominated by the Government of India (GoI), Government of Madhya Pradesh (GoMP) and Urban Local Bodies (Bhopal Municipal Corporation - BMC).

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

R. AUDIT AND AUDITORS REPORT

The Company was formed as a Special Purpose Vehicle under the Smart City Guidelines of the GoI and was subjected to audit by Comptroller & Auditor General. Accordingly as per the Order of the CAG offices, the Company was mandated to engage the services of **M/s Arun K Jain & Associates** a firm of Chartered Accountants having firm registration no.002626C, operating from their Office located at 64, Civil Lines Above Bank of India Near Kilol Park Bhopal as statutory Auditors to carry out the audit of the Company for the financial year 2019-20.
Adoption of Accounting Standards : In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has voluntarily adopted Indian Accounting Standard (referred to "Ind-AS") notified under the Companies (Indian Accounting Standards) Rules ,2015 for the period from 1April, 2019 to 31, March 2020. The Financial Statements are prepared in accordance with Ind-AS.
Comments from statutory auditor along with management representations is annexed herewith as **Annexure "III"** and forms part of this report

S. DETAIL OF FRAUD AS PER AUDITORS REPORT

There is no fraud in the Company during the F.Y. ended 31st March, 2020. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the financial year ended 31st March, 2020.

T. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under-

a) Conservation of Energy

Your company is a Service company engaged in providing consultancy services and it requires electrical energy only for the purpose of lighting its office premises and running its office equipments which it has installed. Such office equipments and electric fixtures do not consume much energy. Therefore it has nothing to report under Section 134(3)(m) of the Companies Act, 2013.

b) Technology Absorption

The Company continues to use the latest technologies for improving the quality of its services, its operations do not require import of any technology. Hence, it has nothing to report in the matter of absorption of technology.

c) Foreign Exchange Earnings/ Outgo

During the period under report, your company did neither earn nor expend anything in foreign exchange. Therefore it has nothing to report with respect of earnings and outgo of foreign exchange.

U. DETAILS OF MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of report.

V. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit /loss of the Company for that period;

c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The directors have prepared the annual accounts on a “going concern” basis;

e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

W. COMPLIANCE OF OTHER PROVISIONS OF THE COMPANIES ACT, 2013

Certain provisions of the Companies Act, 2013 and rules formulated and to be enforced under them dealing, inter-alia, with the following aspects which are either not applicable to the Company or Company has nothing reportable in respect thereof-

- Disclosure about CSR Policy in term of Section 134 (o) & 135 (2) read with Companies CSR Rules, 2014
- Disclosure of receipt of any commission by Managing Director/Whole Time Director from company and also receiving remuneration from its subsidiary/ holding company in term of Section 197(14) of the Act
- Provisions dealing with purchase of its own shares by a company
- Provisions governing Issue of Sweat Equity and Employees Stock Options Scheme issue of shares with differential voting rights etc. regulated by the Act under Companies (Share Capital & Debentures) Rules, 2014.

ACKNOWLEDGMENT

The Board of Directors of your Company wish to express gratitude for the guidance, support and co-operation received by the Bhopal Smart City Development Corporation Limited from various Departments of the Government of India and Government of Madhya Pradesh, and other State Governments, Directorate, Urban Administration, MPUDCL, the Directorate of Industries, State level Financial Corporations/Institutions, and Nationalized/Commercial Banks, Ministry of Heavy Industries and Public Enterprises, Ministry of New & Renewable Energy, Department of Science & Technology and Department of Scientific & Industrial Research.

The Directors of your Company are grateful to the entrepreneurs, Industries Associations of Madhya Pradesh and other States for the confidence they reposed in Bhopal Smart City Development Corporation Limited. The Directors also place on record their appreciation for the dedicated and sincere services rendered by all the professionals and other staff of the Bhopal Smart City Development Corporation Limited.

FOR BHOPAL SMART CITY DEVELOPMENT CORPORATION LIMITED
Date: 16.09.2022
Place: Bhopal

Sd/-	Sd/-
Shri Ankit Asthana	**Shri K.V.S. Choudary**
(Chief Executive Officer)	**(Executive Director)**
DIN NO 09327145	DIN NO 08221228

Annexure-I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on the year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	**U70100MP2016SGC035540**
2.	Registration Date	**14.03.2016**
3.	Name of the Company	**Bhopal Smart City Development Corporation Limited**
4.	Category/Sub-category of the Company	**Public Company**
5.	Address of the Registered office & contact details	**Zone-14, Near Tatpar Petrol Pump Bhel, Govindpura Bhopal -462023 (M.P.)**
6.	Whether listed company	**No**
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**NA**

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	SPV	75133	100

III PARTICULARS OF HOLDING, SIBSIDIARY AND ASSOCIATE COMPANIES : Not Applicable for period under review

S.No.	Name of the Company	CIN/GLN No.	Holding/Subsidiary /Associate	% of shares held by the company	Applicable Section
--	--	--	--	--	--

IV. SHAREHOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-Wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total (In Rs.)	% of Total Shares	Demat	Physical	Total (In Rs.)	% of Total Shares	
A. Promoter s									
(1) **Indian**									
a) Individual/ HUF	--	50	500	.05%	--	--	--	--	Nil
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (MPUDC)	--	99999990	999999900	49.99%	--	--	--	--	Nil
d) Bodies	--	-	--	--	--	-	-	-	--

Corp.									
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other ULB (Bhopal Municipal Corporation)	--	99999960	999999600	49.96%	--	--	--	--	Nil
Total shareholding of Promoter (A)	**--**	**20000000**	**2000000000**	**100%**	**--**	**--**		**100%**	**Nil**
B. Public Shareholding									
1. Institutions	--	--	--	--	--	--	--	--	--
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	--	--	--	--	--	--	--	--	--
2. Non-Institutions									
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	--	--	--	--	--	--	--	--
c) Others	--	--	--	--	--	--	--	--	--
Non Resident Indians	--	--	--	--	--	--	--	--	--
Overseas Corporate	--	--	--	--	--	--	--	--	--

Bodies									
Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearing Members	--	--	--	--	--	--	--	--	--
Trusts	--	--	--	--	--	--	--	--	--
Foreign Bodies	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	**--**	--	--	--	--	--	--	--	--
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**--**	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Grand Total (A+B+C)	**--**	**20000000**	**2000000000**	**100%**	**--**	**--**	**--**	**100%**	**Nil**

ii) Shareholding of Promoters:

NO.	Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Additional Commissioner UADD on behalf of Madhya Pradesh Urban Development Company	99999990	49.99	99999990	49.99
2.	Chief Executive officer, Bhopal Development Authority	10	.01	10	.01
3.	Joint Director, Directorate of Town & Country Planning.	10	.01	10	.01
4.	Commissioner, Bhopal Municipal Corporation.	99999960	49.96	99999960	49.96
5.	Joint Director, Finance UADD	10	.01	10	.01
6.	Additional Commissioner, BMC	10	.01	10	.01
7.	District Collector, Bhopal	10	.01	10	.01

(iii) Change in Promoters Shareholding

There were no changes in the shareholding of the promoters during the year.

(iv)Shareholding pattern of top ten shareholders : (Other than Directors, Promoters & Holders of GDRs and ADRs) as on March 31, 2020: Not Applicable for the period under review

S.NO.	Shareholders Name	Shareholding at the beginning of the year 01-04-2019			Shareholding at the end of the year 31-03-2020		Cumulative Shareholding	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	No. of shares	% of t shares of company
	At the Beginning of the year	-	-	-	-	-	-	-
	Date wise Changes	-	-	-	-	-	-	-
	At the end of the year	-	-	-	-	--	-	-

(v)Shareholding of Directors and Key Managerial Personnel: No Directors of the Company hold any shares in their name but are allotted to their designated posts as nominees on behalf of MPUDCL and BMC

S.NO.	Shareholders Name	Shareholding at the beginning of the year 01-04-2018			Shareholding at the end of the year 31-03-2020		Cumulative Shareholding	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	No. of shares	% of total shares of the company
	At the Beginning of the year	-	-	-	-	-	-	-
	Date wise Changes	-	-	-	-	-	-	-
	At the end of the year	-	-	-	-	--	-	-

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Not Applicable for the period under review)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Not Applicable for the period under review)

S No.	Particulars of Remuneration	Managing Director	Total Amount (in Rs.)
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-

3	Sweat Equity	-	-
4	Commission	-	-
5	Others (LTA)	-	-
	Total	-	-

B. Remuneration to Directors(Not Applicable for the period under review)

SNo.	Particulars of Remuneration	Name of Director	Total Amount (in Rs.)
1	**Director**		
	Fee for attending Board/ Committee Meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (1)	-	-
2	**Other Non-Executive Directors**:	-	-
	Fee for attending Board/ Committee Meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (2)	-	-
	Total (1+2)	-	-
	Total Managerial Remuneration	-	-

C. Remurenation to Key Managerial Personnel other than MD/WTD/Manager

S.No.	Particulars of Remuneration	Name of KMPs other than MD/WT/Manager			
		CEO	CFO	CS	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961	11,77,629/-	777004/-	806778/-	27,61,411/-
	(b) Vaoue of perquisties u/s 17(2) if Income Tax Act, 1961	-	-	-	-
	(c) Profit in lie of salary u/s 17(3) of Income Tax 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**11,77,629/-**	**777004/-**	**806778/-**	**27,61,411/-**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made

A. COMPANY						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-
B. DIRECTORS						
Penalty	-	-	-	-	-	
Punishment	-	-	-	-	-	
Compounding	-	-	-	-	-	
C. OTHER OFFICERS IN DEFAULT						
Penalty	-	-	-	-	-	
Punishment	-	-	-	-	-	
Compounding	-	-	-	-	-	

FOR BHOPAL SMART CITY DEVELOPMENT CORPORATION LIMITED
Date: 16.09.2022
Place: Bhopal

Sd/-
Shri Ankit Asthana
(Chief Executive Officer)
DIN NO 09327145

Sd/-
Shri K.V.S. Choudary
(Executive Director)
DIN NO 08221228

Annexure-II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
BHOPAL SMART CITY DEVELOPMENT CORPORATION LIMITED
CIN: U70100MP2016SGC035540
ZONE-14, NEAR TATPAR PETROL PUMP BHEL,
GOVINDPURA BHOPAL MADHYA PRADESH - 462023

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BHOPAL SMART CITY DEVELOPMENT CORPORATION LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March 2020 according to the provisions of**:**

i) The Companies Act, 2013 (the Act) and the rules made thereunder including any re-enactment thereof;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during the Audit Period)

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period)

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit Period)

e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company during the Audit Period)

f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015;

g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period) and

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period)

vi) Other laws as specifically applicable to the Company, namely:-

a) Income Tax Act, 1961 and rules made there under;
b) The Information Technology Act, 2000 and rules made there under;
c) Goods and Services Tax (GST) Act, 2017and rules made there under;
d) Land Acquisition Act, 1894 and rules made there under;
e) Professional Tax Act, 1995 and rules made there under;
f) Trademarks Act, 1999
g) The Right to Information Act, 2005 and rules made there under;
h) The Sexual Harassment of Women at work places (Prevention, Prohibition and Redressal) Act, 2013;
i) The Industrial and Labour Laws consisting of:
i. The Contract Labour (Regulation and Abolition Act, 1970);
ii. The Minimum Wages Act, 1948;
iii. The Employees Provident Fund and Miscellaneous Provision Act, 1952;
j) The Environmental Health and Safety Laws and rulesmade there under consisting of:
i. The Air (Prevention and Control of Pollution)Act, 1981;
ii. The Water (Prevention and Control of Pollution)Act, 1974;
iii. The Environment (Protection) Act, 1986;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and the Listing Agreements entered into by the Company with the Stock Exchanges;

I report that during the year under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards mentioned above.

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

I further report that, Bhopal Smart City Development Corporation Limited is a Special Purpose Vehicle (SPV) promoted by Government of Madhya Pradesh and Urban Local Bodies represented through Madhya Pradesh Urban Development Co Limited (MPUDCL) and Bhopal Municipal Corporation (BMC) respectively and all the directors are nominated by the Government of India (GoI), Government of Madhya Pradesh (GoMP) and Urban Local Bodies (Bhopal Municipal Corporation - BMC). The Board of Directors of the Company is duly constituted with Executive Directors, Non-Executive Directors, Nominee Directors, Women Directors and Independent director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions in the Board Meeting and Committee meeting are carried out unanimously and recorded in the minutes of the meetings of the Board of Directors and committee of the Board of Directors, as the case may be.

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates/reports taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and process in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the period under review there were no specific events/actions in pursuance of the above-referred laws, rules, regulations, guidelines etc. having a major bearing on the Company affairs.

Place: Bhopal

Date: 16.09.2022

For Piyush Bindal & Associates
"Company Secretaries"

Piyush Bindal
(Proprietor)
FCS – 6749
CP. No. 7442

This report is to be read with our letter of even date which is annexed as Annexure A and forms integral part of this Report.

Annexure-A

To,
The Members,
BHOPAL SMART CITY DEVELOPMENT CORPORATION LIMITED
CIN: U70100MP2016SGC035540
ZONE-14, NEAR TATPAR PETROL PUMP BHEL,
GOVINDPURA BHOPAL MADHYA PRADESH - 462023

The Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provided a reasonable basis for our opinion.

4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.

5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bhopal
Date: 16.09.2022

For Piyush Bindal & Associates
"Company Secretaries"

Piyush Bindal
(Proprietor)
FCS – 6749
CP. No. 7442

Peer Review Cert. No.: 922/2020
Firm's Registration No. S2012MP186400
UDIN: F006749D000980691

Annexure-III

C&AG Comments &Management Replies:

MANAGEMENT/ STATUTORY AUDITOR REPLIES TO THE COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT,2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHOPAL SMART CITY DEVELOPMENT CORPORATION LIMITED, FOR THE YEAR ENDING 31 MARCH 2020.

Sr. No.	Supplementary Audit Observations	Management Reply
	<u>A.Comments on Financial Position</u>	
1	**Current Liabilities** **Other Financial Liabilities (Note-19) – Rs. 3639.37 lakh** The above doesn't include an amount of Rs. 323.53 lakh towards bills payable to M/s Shree Krishna Infrastructure pertaining to the period of January, 2020 but not paid during the financial year (2019-20). Non creation of liability for this expense has resulted in understatement of Other Financial Liabilities (Note-19) and utilization of grant for Up-gradation of Transfer Station (Note-17) by Rs. 323.53 lakh.	Noted for future compliance. In this context , it is to submit that As per the consistent practice prevalent in the corporation, Abstract of work which are received by the concerned department of the corporation is subject to the verification by the Engineering Section to ensure that whether the work and the milestone have been achieved as per the agreement or not. After verification of the work/site, the respective department finalize the value of work done and subsequently bill values are approved. This process may take the week(s) and in some cases contractor is instructed to rectify the deficiencies in the work including re-work and thereafter final bill is submitted which is presented for payment. Therefore, the corporation is recognising the liability at the time of final approval and payment thereof which is the date when liability as per agreement made with the contractors/supplies is attracted. However, if provision of liability on account of such work is accounted for on last day of the reporting period this will attract statutory provisions like deduction of tax at source which will attract Interest from the end of the month of reporting date till the end of the month in which payment is made. This will result into outflow of the fund of the corporation to the extent of interest cost which will adversely affect the non-profit objective of the corporation. The directions provided have been followed from F.Y 2020-21 onwards.
2	The above doesn't include an amount of Rs. 230.92 lakh towards bills payable to M/s Cube Construction Engineering Ltd pertaining to the period of February, 2020 but not paid during the financial year (2019-20). Non creation of liability for this expense has resulted in understatement of Other Financial Liabilities (Note-19) and utilization of grant for Govt. Housing Phase-II (Note-17) by Rs. 230.92 lakh.	Noted for future compliance. In this context , it is to submit that As per the consistent practice prevalent in the corporation, Abstract of work which are received by the concerned department of the corporation is subject to the verification by the Engineering Section to ensure that whether the work and the milestone have been achieved as per the agreement or not. After verification of the work/site, the respective department finalize the value of work done and subsequently bill values are approved. This process may take the week(s) and in some cases contractor is instructed to rectify the deficiencies in the work including re-work and thereafter final bill is submitted which is presented for payment. Therefore, the corporation is recognising the liability at the time of final approval and payment thereof which is the date when liability as per agreement made with the contractors/supplies is attracted. However, if provision of liability on account of such work is accounted for on last day of the reporting period this will attract statutory provisions like deduction of tax at source which will attract Interest from the end of the month of reporting date till the end of the month in which payment is made. This will result into outflow of the fund of the corporation to the extent of interest cost which will adversely affect the non-profit objective of the corporation.The directions provided have been followed from F.Y 2020-21 onwards.
3	The above doesn't include an amount of Rs. 568.32 lakh towards bills payable to M/s Shapers Construction Ltd pertaining to the period of February, 2020 but not paid during the financial year (2019-20). Non creation of liability for this	Noted for future compliance. In this context , it is to submit that As per the consistent practice prevalent in the corporation, Abstract of work which are received by the concerned department of the corporation is subject to the verification by the Engineering Section to ensure that whether

	expense has resulted in understatement of Other Financial Liabilities (Note-19) and utilization of grant for Boulevard Street Project Expense (Note-17) by Rs. 568.32 lakh.	the work and the milestone have been achieved as per the agreement or not. After verification of the work/site, the respective department finalize the value of work done and subsequently bill values are approved. This process may take the week(s) and in some cases contractor is instructed to rectify the deficiencies in the work including re-work and thereafter final bill is submitted which is presented for payment. Therefore, the corporation is recognising the liability at the time of final approval and payment thereof which is the date when liability as per agreement made with the contractors/supplies is attracted. However, if provision of liability on account of such work is accounted for on last day of the reporting period this will attract statutory provisions like deduction of tax at source which will attract Interest from the end of the month of reporting date till the end of the month in which payment is made. This will result into outflow of the fund of the corporation to the extent of interest cost which will adversely affect the non-profit objective of the corporation. The directions provided have been followed from F.Y 2020-21 onwards.
4	The above doesn't include an amount of Rs. 251.32 lakh towards bills payable to M/s Hyva India Pvt Ltd pertaining to the period of December 2019, but not paid during the financial year (2019-20). Non creation of liability for this expense has resulted in understatement of Other Financial Liabilities (Note-19) and utilization of grant for Supply, Erection & Commissioning Transfer Station (Note-17) by Rs. 251.32 lakh.	Noted for future compliance. In this context , it is to submit that As per the consistent practice prevalent in the corporation, Abstract of work which are received by the concerned department of the corporation is subject to the verification by the Engineering Section to ensure that whether the work and the milestone have been achieved as per the agreement or not. After verification of the work/site, the respective department finalize the value of work done and subsequently bill values are approved. This process may take the week(s) and in some cases contractor is instructed to rectify the deficiencies in the work including re-work and thereafter final bill is submitted which is presented for payment. Therefore, the corporation is recognising the liability at the time of final approval and payment thereof which is the date when liability as per agreement made with the contractors/supplies is attracted. However, if provision of liability on account of such work is accounted for on last day of the reporting period this will attract statutory provisions like deduction of tax at source which will attract Interest from the end of the month of reporting date till the end of the month in which payment is made. This will result into outflow of the fund of the corporation to the extent of interest cost which will adversely affect the non-profit objective of the corporation. The directions provided have been followed from F.Y 2020-21 onwards.
6	**B. Comments on Profitability** **Other Income (Note-22)- Rs. 707.32 lakh** **Interest on Mobilization Advance-Rs.23.14 lakh** Above includes Rs. 0.41 lakh as interest received on Mobilization advance given to contractor. As per contract condition, the interest rate was to be calculated at the rate of 10 per cent Per Annum (Simple) which amounts to Rs.150 lakh instead of Rs.0.41 lakh as calculated by the Company. This has resulted in understatement of interest on mobilization advance (Note-23), understatement of advances to contractors (Note-09- Other Financial Assets) and understatement of Profit by Rs. 149.59 lakh.	Noted for future compliance. The mistake in calculation has been made due to oversight and the same has been rectified in the F.Y 2020-21 and we shall avoid the reoccurrence of the same in future.

FOR BHOPAL SMART CITY DEVELOPMENT CORPORATION LIMITED
Date: 16.09.2022
Place: Bhopal

Sd/-
Shri Ankit Asthana
(Chief Executive Officer)
DIN NO 09327145

Sd/-
Shri K.V.S. Choudary
(Executive Director)
DIN NO 08221228

Annexure-III

C&AG Comments &Management Replies:

MANAGEMENT/ STATUTORY AUDITOR REPLIES TO THE COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT,2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHOPAL SMART CITY DEVELOPMENT CORPORATION LIMITED, FOR THE YEAR ENDING 31 MARCH 2020**.**

Sr. No.	Supplementary Audit Observations	Management Reply
	<u>**A.Comments on Financial Position**</u>	
1	**Balance Sheet** **Current Liabilities** **Other Financial Liabilities (Note-18) - Rs. 3549.17 lakh** The above doesn't include an amount of Rs. 323.53 lakh towards bills payable to M/s Shree Krishna Infrastructure pertaining to the period of January, 2020 but not paid during the financial year (2019-20). Non creation of liability for this expense has resulted in understatement of Other Financial Liabilities (Note-18) and utilization of grant for Up-gradation of Transfer Station (Note-16) by Rs. 323.53 lakh.	Noted for future compliance. In this context , it is to submit that As per the consistent practice prevalent in the corporation, Abstract of work which are received by the concerned department of the corporation is subject to the verification by the Engineering Section to ensure that whether the work and the milestone have been achieved as per the agreement or not. After verification of the work/site, the respective department finalize the value of work done and subsequently bill values are approved. This process may take the week(s) and in some cases contractor is instructed to rectify the deficiencies in the work including re-work and thereafter final bill is submitted which is presented for payment. Therefore, the corporation is recognising the liability at the time of final approval and payment thereof which is the date when liability as per agreement made with the contractors/supplies is attracted. However, if provision of liability on account of such work is accounted for on last day of the reporting period this will attract statutory provisions like deduction of tax at source which will attract Interest from the end of the month of reporting date till the end of the month in which payment is made. This will result into outflow of the fund of the corporation to the extent of interest cost which will adversely affect the non-profit objective of the corporation. The directions provided have been followed from F.Y 2020-21 onwards.
2	The above doesn't include an amount of Rs. 230.92 lakh towards bills payable to M/s Cube Construction Engineering Ltd pertaining to the period of February, 2020 but not paid during the financial year (2019-20). Non creation of liability for this expense has resulted in understatement of Other Financial Liabilities (Note-18) and utilization of grant for Govt. Housing Phase-II (Note-16) by Rs. 230.92 lakh.	Noted for future compliance. In this context , it is to submit that As per the consistent practice prevalent in the corporation, Abstract of work which are received by the concerned department of the corporation is subject to the verification by the Engineering Section to ensure that whether the work and the milestone have been achieved as per the agreement or not. After verification of the work/site, the respective department finalize the value of work done and subsequently bill values are approved. This process may take the week(s) and in some cases contractor is instructed to rectify the deficiencies in the work including re-work and thereafter final bill is submitted which is presented for payment. Therefore, the corporation is recognising the liability at the time of final approval and payment thereof which is the date when liability as per agreement made with the contractors/supplies is attracted. However, if provision of liability on account of such work is accounted for on last day of the reporting period this will attract statutory provisions like deduction of tax at source which will attract Interest from the end of the month of reporting date till the end of the month in which payment is made. This will result into outflow of the fund of the corporation to the extent of interest cost which will adversely affect the non-profit objective of the corporation.The

		directions provided have been followed from F.Y 2020-21 onwards.
3	The above doesn't include an amount of Rs. 568.32 lakh towards bills payable to M/s Shapers Construction Ltd pertaining to the period of February, 2020 but not paid during the financial year (2019-20). Non creation of liability for this expense has resulted in understatement of Other Financial Liabilities (Note-18) and utilization of grant for Boulevard Street Project Expense (under Note-16) by Rs. 568.32 lakh.	Noted for future compliance. In this context , it is to submit that As per the consistent practice prevalent in the corporation, Abstract of work which are received by the concerned department of the corporation is subject to the verification by the Engineering Section to ensure that whether the work and the milestone have been achieved as per the agreement or not. After verification of the work/site, the respective department finalize the value of work done and subsequently bill values are approved. This process may take the week(s) and in some cases contractor is instructed to rectify the deficiencies in the work including re-work and thereafter final bill is submitted which is presented for payment. Therefore, the corporation is recognising the liability at the time of final approval and payment thereof which is the date when liability as per agreement made with the contractors/supplies is attracted. However, if provision of liability on account of such work is accounted for on last day of the reporting period this will attract statutory provisions like deduction of tax at source which will attract Interest from the end of the month of reporting date till the end of the month in which payment is made. This will result into outflow of the fund of the corporation to the extent of interest cost which will adversely affect the non-profit objective of the corporation. The directions provided have been followed from F.Y 2020-21 onwards.
4	The above doesn't include an amount of Rs. 251.32 lakh towards bills payable to M/s Hyva India Pvt Ltd pertaining to the period of December 2019, but not paid during the financial year (2019-20). Non creation of liability for this expense has resulted in understatement of Other Financial Liabilities (Note-18) and utilization of grant for Supply, Erection & Commissioning Transfer Station (Note-16) by Rs. 251.32 lakh.	Noted for future compliance. In this context , it is to submit that As per the consistent practice prevalent in the corporation, Abstract of work which are received by the concerned department of the corporation is subject to the verification by the Engineering Section to ensure that whether the work and the milestone have been achieved as per the agreement or not. After verification of the work/site, the respective department finalize the value of work done and subsequently bill values are approved. This process may take the week(s) and in some cases contractor is instructed to rectify the deficiencies in the work including re-work and thereafter final bill is submitted which is presented for payment. Therefore, the corporation is recognising the liability at the time of final approval and payment thereof which is the date when liability as per agreement made with the contractors/supplies is attracted. However, if provision of liability on account of such work is accounted for on last day of the reporting period this will attract statutory provisions like deduction of tax at source which will attract Interest from the end of the month of reporting date till the end of the month in which payment is made. This will result into outflow of the fund of the corporation to the extent of interest cost which will adversely affect the non-profit objective of the corporation. The directions provided have been followed from F.Y 2020-21 onwards.
6	<u>**B. Comments on Profitability**</u> **Other Income (Note-22)- Rs. 707.32 lakh** **Interest on Mobilization Advance-Rs.23.14 lakh** Above includes Rs. 0.41 lakh as interest received on Mobilization advance given to contractor. As per contract condition, the interest rate was to be	Noted for future compliance. The mistake in calculation has been made due to oversight and the same has been rectified in the F.Y 2020-21 and we shall avoid the reoccurrence of the same in future.

	calculated at the rate of 10 per cent Per Annum (Simple) which amounts to Rs.150 lakh instead of Rs.0.41 lakh as calculated by the Company. This has resulted in understatement of interest on mobilization advance (Note-22), understatement of advances to contractors (Note-10- Other Financial Assets) and understatement of Profit by Rs. 149.59 lakh.	

FOR BHOPAL SMART CITY DEVELOPMENT CORPORATION LIMITED
Date: 16.09.2022
Place: Bhopal

Sd/-
Shri Ankit Asthana
(Chief Executive Officer)
DIN NO 09327145

Sd/-
Shri K.V.S. Choudary
(Executive Director)
DIN NO 08221228

ARUN K JAIN & ASSOCIATES

Chartered Accountants

64, CIVIL LINES, NEAR KILOL PARK, ABOVE BANK OF INDIA, BHOPAL-2, PHONE 2660035

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND-AS FINANCIAL STATEMENTS

To the Members of Bhopal Smart City Development Corporation Limited, Bhopal

OPINION

We have audited the accompanying Consolidated Financial Statements of **Bhopal Smart City Development Corporation Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view subject to observations and qualifications as per 'Annexure-D' in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2020, their consolidated profit, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Land allotted to the company by the state government

Description of key audit matters:

The Madhya Pradesh Government has allotted 342-hectare land to the company at TT Nagar Bhopal at the consideration of 3300 Flats. The remaining land will be utilized by the company. The company has recognized a portion of land as Property, Plant and Equipment at Re.1/-, and the remaining land held for sale has been recognized as Inventory and 50% value as per the Collector Guideline rates has been taken in the financial statements as 50% of the consideration received attributable to saleable plots held for development and sale will be retained by the Department of Urban Development and Housing, Government of Madhya Pradesh as reserve fund.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures 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 Group or to cease operations, or has no realistic alternative but to do so. Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Consolidated Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the Consolidated 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 control 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 Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

• Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' 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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the 'Annexure C' on the directions and sub-directions issued by the Comptroller and Auditor General of India.

3. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
   (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) Being a Government Company and pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company.
   (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its subsidiaries, refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting;
   (i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements:
      i. The Company has one pending litigation and its financial impact is not known.

      ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
      iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

For Arun K Jain & Associates
Chartered Accountants
Firm Regn. No. 002626C

(Arun Jain)
BHOPAL **Proprietor**
M. No. 71661

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

The Annexure referred to in Independent Auditors' Report to the members of **Bhopal Smart City Development Corporation Limited** ("the Company") on the financial statements for the year ended 31 March 2020, we report that:

(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All these fixed assets have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification.

(c) The Company holds 342 acres of land which has been transferred to the company by the State Government.

(ii) The Company has inventory of land and physically verified at reasonable intervals, and no material discrepancies were noticed.

(iii) The company did not give any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act.

(iv) In our opinion and according to explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) According to the information and explanations given to us and on the basis of our checking during the course of audit, the company has not accepted any deposits.

(vi) The Central Government has not specified maintenance of the cost records under sub-section (1) of section 148 of the Companies Act.

(vii) (a) According to the information and explanation given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities. There was no such outstanding as at the last day of the financial year concerned for a period of more than six months from the date, they became payable, subject to the following:

(i) WCT @ 3% Rs 0.54 lakhs
(ii) WCT @ 2% Rs 5.27 lakhs

(b) According to information and explanations given to us, there are no dues of income tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to information and explanations given to us, the company has not obtained any loan from financial institutions, banks, government or any other person.

(ix) The Company has not raised any money by way of initial public offer, further public offer or term loan.

(x) Based upon audit procedures performed and according to the 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 course of our audit.

(xi) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with requisite approvals mandated by provisions of section 197 read with Schedule V to the Companies Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company.

(xiii) According to information and explanations given to us and based on our examination of the records of the Company, the related party transactions are in compliance with section 177 and 188 of Companies Act, 2013 and have been disclosed in the financial statements.

(xiv) According to information and explanations given to us and based on our examination of the records of the Company, the company has not made preferential allotment / private placement of shares or fully or partly convertible debentures during the year. The requirement of section 42 of the Companies Act has been complied with and the amounts raised have been used for the purpose for which the funds were raised.

(xv) According to information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with them.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Arun K Jain & Associates
Chartered Accountants
Firm Regn. No. 002626C

(Arun Jain)
Proprietor
M. No. 71661

BHOPAL
DATED:

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 3(f) under 'Report on Other Legal and Regulatory requirements' of our report on even date on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **Bhopal Smart City Development Corporation Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, subject to 'Annexure-D', 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 issued by the ICAI.

For Arun K Jain & Associates
Chartered Accountants
Firm Regn. No. 002626C

(Arun Jain)
Proprietor
M. No. 71661

BHOPAL
DATED: 30.07.2021

ANNEXURE-C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

REPORT UNDER SECTION 143(5) OF THE COMPANIES ACT 2013 OF BHOPAL SMART CITY DEVELOPMENT CORPORATION LIMITED, BHOPAL

Reference: CAG, Gwalior Letter No./OAD-Com/F-78/2019-20/D-654 dated 18.03.2020

We have examined the books of accounts of BHOPAL SMART CITY DEVELOPMENT CORPORATION LIMITED, Bhopal for the year ended 31st March 2020 and as per the information and explanation given to us, we submit our report under section 143(5) of the Companies Act 2013 as under: -

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has processed all transactions through IT system.
2. Whether there is any restructuring of an existing loans or cases of waiver/write-off of debts/loans/interest etc. made by lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	Company has not obtained any loan during the year.
3. Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviations.	Funds received under specific schemes from Central/State agencies have been properly accounted for. As per para 11.4(ii) of Smart City Guidelines, 5% fund has been allotted for Administrative and Office Expenses (A&OE) funds for state/ULB (towards certain heads). It is not clear whether the expenditure mentioned in Profit and Loss Statement and Property, Plant and Equipment under Non-Current Assets are covered in this 5% A&OE.
4. Whether the expenditure of common projects undertaken by Municipal Corporation and Smart City Company combinedly has been rationally distributed among them.	No common project has been undertaken by Municipal Corporation and Smart City Company combinedly
5. Whether system for monitoring the execution of work vis-à-vis the milestones stipulated in the agreement is in existence and the impact of the cost escalation, if any, revenue/losses from contracts, etc., have been properly accounted for in the books.	There is a system for monitoring the execution of work and revenue/loss from contracts has been properly accounted for as mentioned in attached statement.
6. Whether the bank guarantees have been revalidated in time?	Some Bank Guarantees/Fixed Deposits as mentioned in the attached statement have not been revalidated by the issuing bank.
7. Whether balances of trade receivables, trade payables, term deposits, bank accounts and cash at the year end is confirmed.	Confirmation of balances of trade receivable, Trade Payables have not been obtained by the company. Bank balances are confirmed.

	Company has no cash balance.
8. Whether the matching contribution from the State Government and Central Government has been received as per the prescribed schedule in the mission statement? If not, reason and description of it may be detailed.	Matching contribution is receivable from State Government and Central Government as mentioned in the attached statement.

For Arun K Jain & Associates
Chartered Accountants
Firm Regn. No. 002626C

(Arun Jain)
Proprietor
M. No. 71661

BHOPAL
DATED: 30.07.2021

ANNEXURE- D TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

OBSERVATIONS AND QUALIFICATIONS

The Annexure referred to in Independent Auditor's Report to the members of **Bhopal Smart City Development Corporation Limited** ("the Company") on the financial statements for the year ended 31 March 2020, we report that:

1. Administrative and General Expenditure, and Property, Plant and Equipment: -
   As per para 11.4(ii) of Smart City Guidelines, 5% fund has been allotted for Administrative and Office Expenses (A&OE) funds for state/ULB (towards certain heads). It is not clear whether the expenditure mentioned in Profit and Loss Statement, and Property, Plant and Equipment under Non-current Assets are covered in this 5% A&OE.

   As per letter of Ministry of Housing and Urban Affairs dt. 21.12.2018, no expenditure of capital nature can be incurred from grant for A&OE funds. Thus, no fund has been allotted in the guidelines for acquiring fixed assets.

2. Trade Payables: -
   Confirmation of balances have not been obtained and produced before us from the Creditors.

3. Other Current Assets: -
   Advances to Sundry Creditors `82.63 lakhs:
   Excess payment has been made/ debited in the Creditors account which should be recovered. Confirmation of balances have not been obtained.
4. Prior Period Expenses: -

Account Head	Amount	Related to the year
GST RCM	208814/-	2017-18
Internal Audit	240000/-	2018-19
Professional Fees	150000/-	2017-18
Professional Fees	100000/-	2018-19
Electricity Expenses	1154003/-	2018-19
Professional Tax	7500/-	2016-17 to 2018-19
Professional Fees (Secretarial Audit)	80000/-	2018-19

   Management has explained that in view of the principle of Materiality, the above amounts under various expenses have been adjusted from the figure of current year, i.e., 2019-20.
5. Multilevel Parking Revenue: -
   Rs *49,78,539.86 Cr*
   i) No documents/reports were found for verification. Parking staff deposits the receipts in bank and the income is credited in the books by this bank's credit entry. No internal control system is in effect. Records showing income earned were not available. Income has been taken on the basis of receipt.

   ii) Income is Rs 49.79 lakhs but the expenditure is Rs. 91.02 lakhs. Thus, the company is bearing loss in multilevel parking.

6. <u>Input Tax Credit (GST):-</u>

Input Tax Credit (GST) has been claimed on owned project but it is not eligible u/s 16 and 17 of GST law.

Reversal as per Rule 42 and 43 has not been made. GST input as on 31.03.2019 is Rs. 402.12 lakhs and it increased to `821.37 lakhs as on 31.03.2020. ITC is not available on immovable property u/s 17(5) of GST Act.

Management has explained that in view of the uncertainty of handover/transfer of the project, reversal of ITC has not been done.

For Arun K Jain & Associates
Chartered Accountants
Firm Regn. No. 002626C

(Arun Jain)
Proprietor
M. No. 71661

BHOPAL
DATED: 30.07.2021

BALANCE SHEET

BHOPAL SMART CITY DEVELOPMENT CORPORATION LTD.
Zone-14, Near Tatpar Petrol Pump , BHEL, Govindpura, , Bhopal-462023, M.P.

CONSOLIDATED BALANCE-SHEET AS ON 31st MARCH 2020

Amount in lakhs…

Particulars	Note No.	Figures as at the end of current reporting year 31/03/2020	Figures as at the end of current reporting year 31/03/2019
(1) ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	6.22	7.21
(b) Capital work-in-progress	2	3,587.93	532.94
(c) Investment Property		-	
(d) Goodwill		-	-
(e) Other Intangible assets	3	0.21	0.34
(f) Intangible assets under development	4	998.44	659.24
(g) Biological Assets other than bearer plants		-	
(h) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Others (to be specified)	5(a)	2,641.87	2,525.84
(i) Deferred tax assets (net)	5(b)	-	-
(j) Other non-current assets		-	-
(2) Current assets		-	-
(a) Inventories	6	1,12,172.59	1,12,172.59
(b) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade receivables	7	16.54	-
(iii) Cash and cash equivalents	8	1,763.40	5,898.20
(iv) Bank balances other than (iii) above	9	505.00	500.00
(v) Loans & Advances		-	-
(vi) Others (to be specified)	10 &11	32,175.97	44,943.22
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	12	1,265.20	910.94
Total Assets		**1,55,133.37**	**1,68,150.52**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	20,000.00	20,000.00
(b) Other Equity	14	57.23	40.32
TOTAL EQUITY		**20,057.23**	**20,040.32**
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities	15	2,077.88	1,286.39
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-current liabilities		-	-
(i) Government funds	16	9,186.06	26,527.67
(i) Government Grant	16	1,18,471.61	1,15,256.47
Current liabilities		-	-
(a) Financial Liabilities		-	-
(i) Borrowings		-	-
(ii) Trade payables	17	206.06	590.61
(iii) Other financial liabilities (other than those specified in	18	3,549.17	2,998.23
(b) Other current liabilities	19	1,196.97	1,446.70
(c) Provisions	20	388.39	4.13
(d) Current Tax Liabilities (Net)		-	-
TOTAL LIABILITIES		**1,35,076.14**	**1,48,110.20**
Total Equity and Liabilities		**1,55,133.37**	**1,68,150.52**

CA ARUN K JAIN K.V.S. CHOUDARY ADITYA SINGH
(PROPRIETOR) (EXECUTIVE DIRECTOR) (CHIEF EXECUTIVE OFFICE
M.No. 071661 DIN:- 08221228 DIN:- 08940872
Firm Regn No. 002626C

Place: Bhopal SUNIL SINGH BHADAURIA YOGESH KHAKRE
Date: (CHIEF FINANCIAL OFFICER) (COMPANY
SECRETARY

STATEMENT OF PROFIT AND LOSS

BHOPAL SMART CITY DEVELOPMENT CORPORATION LTD.
Zone-14, Near Tatpar Petrol Pump , BHEL, Govindpura, , Bhopal-462023, M.P.
STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020

Amount in lakhs-Rs…

	Particulars	Note No.	Figures for the year ending 31/03/2020	Figures for the year ending 31/03/2019
I	REVENUE FROM OPERATIONS	21	141.69	16.00
II	OTHER INCOME	22	707.32	755.12
III	TOTAL INCOME (I+II)		849.01	771.12
IV	EXPENSES			
	Cost of materials consumed/ Operating Expenses	26(A)	-	
	Purchases of Stock-in-Trade		-	
	Changes in inventories of finished goods,		-	
	Stock-in -Trade and work-in-progress		-	
	Employee benefits expense	23	168.45	186.25
	Depreciation and amortization expense	24	4.26	9.89
	Finance costs	25	90.74	1.26
	Other expenses	26	585.56	573.11
	TOTAL EXPENSES (IV)		849.01	770.51
V	Profit/(loss) before exceptional items and		-	0.61
	tax (I- IV)			
VI	Exceptional Items		-	
VII	Profit/(loss) before tax (V-VI)		-	0.61
VIII	TAX EXPENSE		(16.91)	
	(1) Current tax Provision/(Reversal of Excess Provision of Previous Year)		-	
	(2) Deferred tax		-	0.61
	(3)Provision/(Reversal of Excess Provision of Previous Year)		(16.91)	
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		16.91	-
X	Profit/(loss) from discontinued operations			-
XI	Tax expense of discontinued operations			-
XII	Profit/(loss) from Discontinued operations			
	(after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		16.91	-
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(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		-	-

XV	**Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)**		-	-
			-	-
			-	-
XVI	**Earnings per equity share (for continuing operation)**			
	(1) Basic	**27**	**0.08**	-
	(2) Diluted			
XVII	**Earnings per equity share (for discontinued operation):**			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	**Earnings per equity share(for discontinued & continuing operations)**			
	(1) Basic		**0.08**	-
	(2) Diluted		-	-

CA ARUN K JAIN K.V.S. CHOUDARY ADITYA SINGH
(PROPRIETOR) (EXECUTIVE DIRECTOR) (CHIEF EXECUTIVE OFFICE
M.No. 071661 DIN:- 08221228 DIN:- 08940872
Firm Regn No. 002626C

Place: Bhopal SUNIL SINGH BHADAURIA YOGESH KHAKRE
Date: (CHIEF FINANCIAL OFFICER) (COMPANY

BHOPAL SMART CITY DEVELOPMENT CORPORATION LTD.
Zone-14, Near Tatpar Petrol Pump , BHEL, Govindpura, , Bhopal-462023,M.P.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31st MARCH 2020

A. EQUITY SHARE CAPITAL

Amount in lakhs-Rs…

BALANCE AT THE BEGINNING OF THE REPORTING PERIOD	BALANCE AT THE END OF REPORTING PERIOD
As at 31st March, 2018	20,000.00
Changes in equity share capital during the year	-
As at 31st March, 2019	20,000.00

(ii) Details of shareholders holding more than 5% shares in the company

As at 31st March, 2018	31-Mar-19		31-Mar-18	
	Number of shares	% holding	Number of shares	% holding
MADHYA PRADESH URBAN DEVELOPMENT CO. LIMITED	100,000,000.00	50%	100,000,000.00	50%
BHOPAL MUNICIPAL CORPORATION	100,000,000.00	50%	100,000,000.00	50%

B. OTHER EQUITY

Amount in lakhs-Rs…

PARTICULARS	Share Application Money	Reserves and Surplus
	Pending Allotment	GENERAL RESERVE
As at 31st March, 2018		**40.32**
Add: Profit & Loss A/c	-	**0.00**
Less: Share Capital Issued		-
As at 31st March, 2019	-	**40.32**

CA ARUN K JAIN
(PROPRIETOR)
M.No. 071661
Firm Regn No. 002626C

K.V.S. CHOUDARY
(EXECUTIVE DIRECTOR)
DIN:- 08221228

ADITYA SINGH
(CHIEF EXECUTIVE OFFICE
DIN:- 08940872

Place: Bhopal
Date:

SUNIL SINGH BHADAURIA
(CHIEF FINANCIAL OFFICER)

YOGESH KHAKRE
(COMPANY SECERETARY)

CASH FLOW STATEMENT

BHOPAL SMART CITY DEVELOPMENT CORPORATION LTD.

Zone-14, Near Tatpar Petrol Pump , BHEL, Govindpura, , Bhopal-462023, M.P.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020

Amount in lakhs-Rs...

PARTICULARS	Figures as at the end of current reporting year 31/03/2019	Figures as at the end of current reporting year 31/03/2018
Cash flow from operating activities		
Profit before income tax from		
Continuing operations	0.61	56.30
Discontinued operations	-	-
Profit before income tax including discontinued operations	**0.61**	**56.30**
Adjustments for		
Depreciation and amortisation expense	9.89	6.87
Changes in fair value of financial assets at fair value through profit or loss	- -	-
Unwinding of discount on security deposits	-	-
Dividend and interest income classified as investing cash flows	-	-
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:	10.50	63.17
(Increase)/Decrease in trade receivables	-	-
Increase/(Decrease) in trade payables	560.75	(35.18)
(Increase)/Decrease in other financial assets	(46,936.81)	(4,470.68)
(Increase)/decrease in Loans	-	-
(Increase)/decrease in other current assets	(112,344.59)	(644.54)
Increase/(decrease) in other current liabilities	1,357.73	56.63
Increase/(decrease) in Provisions	1.17	(0.05)
Increase in Non-Current financial liabilities	22.17	-
Increase in current financial liabilities	3,909.68	382.71
Increase in Deffered tax liabilities	-	-
Cash generated from operations	**(153,419.40)**	**(4,647.94)**
Income taxes paid	-	-
Net cash inflow from operating activities	**(153,419.40)**	**(4,647.94)**
Cash flows from investing activities		
Payments for property, plant and equipment	(5.30)	(12.67)
Payments for investment in Capital Work In Progress	(532.94)	-
Payments for investment in subsidiary	(100.00)	
Payments for Other Intangible Assets	-	(0.36)
Payments for Intangible Assets under Development	(172.39)	(191.17)
government grants net of expenses (Non Current Liability)	126,388.96	10,180.55
Interest received		
Net cash outflow from investing activities	**125,578.34**	**9,976.35**
Cash flows from financing activities		
Proceeds from issues of shares	-	-
Change in other reserve	-	-
Net cash inflow (outflow) from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	**(27,841.06)**	**5,328.42**
Cash and cash equivalents at the beginning of the financial year	34,239.26	28,910.84
Cash and cash equivalents at end of the year	**6,398.20**	**34,239.26**

CA ARUN K JAIN	K.V.S. CHOUDARY	ADITYA SINGH
(PROPRIETOR)	(EXECUTIVE DIRECTOR)	(CHIEF EXECUTIVE OFFICE
M.No. 071661	DIN:- 08221228	DIN:- 08940872
Firm Regn No. 002626C		

Place: Bhopal	SUNIL SINGH BHADAURIA	YOGESH KHAKRE
Date:	(CHIEF FINANCIAL OFFICER)	(COMPANY SECERETARY)

NOTES

ASSET SCHEDULE

NOTE-1

PROPERTY, PLANT AND EQUIPMENT

FINANCIAL YEAR 2019-20 — **Amount in lakhs-Rs…**

PARTICULARS OF ASSET	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	AS AT APRIL 1 2018	ADDITIONS	DISPOSALS	AS AT MARCH 31,2019	AS AT APRIL 1 2018	FOR THE YEAR	DISPOSALS/ ADJUSTMENTS	AS AT MARCH 31,2019	AS AT APRIL 1 2018	AS AT MARCH 31,2019
FURNITURE & FIXTURE	2.25	-	-	2.25	0.69	0.40	-	1.10	1.56	1.15
COMPUTER & EQUIPMENTS	12.26	5.30	-	17.56	4.27	8.39	-	12.66	7.99	4.89
OFFICE EQUIPMENTS	3.96	-	-	3.96	1.83	0.96	-	2.79	2.13	1.17
LAND (Valued at Nominal Value Rs. 1)	-	0.00	-	0.00	-	-	-	-	-	-
TOTAL	**18.47**	**5.30**	**-**	**23.77**	**6.80**	**9.75**	**-**	**16.55**	**11.67**	**7.22**

FINANCIAL YEAR 2017-2018 — **Amount in lakhs-Rs…**

PARTICULARS OF ASSET	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	AS AT APRIL 1 2017	ADDITIONS	DISPOSALS	AS AT MARCH 31,2018	AS AT APRIL 1 2017	FOR THE YEAR	DISPOSALS/ ADJUSTMENTS	AS AT MARCH 31,2018	AS AT APRIL 1 2017	AS AT MARCH 31,2018
FURNITURE & FIXTURE	2.25	-	-	2.25	0.15	0.54	-	0.69	2.10	1.56
COMPUTER & EQUIPMENTS	-	12.26	-	12.26	-	4.27	-	4.27	-	7.99
OFFICE EQUIPMENTS	3.55	0.41	-	3.96	0.16	1.67	-	1.83	3.39	2.13
TOTAL	**5.80**	**12.67**	**-**	**18.47**	**0.31**	**6.49**	**-**	**6.80**	**5.49**	**11.67**

BHOPAL SMART CITY DEVELOPMENT CORPORATION LTD.
Zone-14, Near Tatpar Petrol Pump , BHEL, Govindpura, , Bhopal-462023, M.P.

NOTE-1: CONSOLIDATED IND AS SIGNIFICANT ACCOUNTING POLICIES &NOTES TO ACCOUNTSFOR THE YEAR ENDING 31st MARCH, 2020

1. General Information

(a) **Background**: Bhopal Smart City Development Corporation limited (the "Company") was incorporated in India on 14th March.2016 It is a Special Purpose Vehicle (SPV) created for the Implementation of the "Smart City Mission" at the Bhopal City. The SPV Will Plan, appraise, approve, release funds, implement manage, operate, monitor and evaluate the Smart city development project as per the Mission statement & Guideline issued by Ministry of Urban Development, Government of India.

(b) The functional and presentation currency of the group is Indian Rupee ("INR") which is the currency of the primary economic environment in which the group operates. The financial statements are approved for issue by the Companies Board of Directors.

(c) The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Companies Act,2013 are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act.

(d) The Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of the Corporation Limited for the year ended 31st March 2019.

(e) The Company's **Consolidated Financial Statement** comprises of results of 1 subsidiary (i.e., B-nest Foundation) in line-by-line method of consolidation. For the purpose of The Company's **Consolidated Financial Statement, the Company** hereinafter is and be referred as **"The Group"**.

2. Application of new and revised Ind-AS's/Transition to IndAS

(a) These are the group's first consolidated financial statements prepared in accordance with Ind AS. The accounting policies mentioned below have been applied in preparing the financial statements for the year ended 31st March 2020, the comparative information presented in these financial statements for the year ended 31 March 2019. The Company has adjusted amounts reported previously in financial statements prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP).

(b) All applicable Ind AS have been applied in all material respects consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under both Ind AS and Indian GAAP as of the transition date have been recognized directly in equity at the transition date.

3. Basis of Preparation

a) Statement of Compliance

(i) The Consolidated financial statements comprising of the Balance Sheet, Statement of Profit and Loss, Statement of changes in equity, Statement of Cash Flow together with notes comprising a summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2020 and comparative information in respect of the preceding period and Balance Sheet have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

(ii) For all the periods up to and including the year ended March 31, 2020, the Group prepared its financial statements in accordance with the requirements of the Generally Accepted Accounting Principles (GAAP) Which includes Standards notified under the Companies (Accounting Standards) Rules, 2006, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 .

(iii) These financial statements are the Second general purpose consolidated financial statements, the group has prepared in accordance with Ind AS.

(iv) The Consolidated financial statements have been prepared considering all IND AS as notified by MCA till the reporting date i.e. March 31, 2020. The Consolidated financial statements provide comparative information in respect of the previous year.

b) Basis of measurement

(i) The consolidated financial statements have been prepared on accrual basis and under the historical cost convention except:

(a) Financial assets and liabilities barring a few assets carried at amortised cost, disclosed separately

(b) Assets held for sale – measured at fair value.

(c) Defined benefit plans – Plan assets measured at fair value.

With effect from 1st April 2019, Ind AS 115 – “Revenue from Contracts with Customers” (Ind AS 115) supersedes Ind AS 18 – “Revenue Recognition” and related

Appendices. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the company.

Current versus non-current classification

The group presents assets and liabilities in statement of financial position based on current/non-current classification The group has presented non-current assets and current assets before the equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) expected to be realised within twelve months after the reporting period, or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when it is:

(a) Expected to be settled in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. All other liabilities are classified as noncurrent.

a) Functional and presentation currency.

The Company's Financial Statements are presented in Indian Rupees (Rs.), which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Group. All financial information presented in Indian rupees has been rounded to the nearest rupee except share and per share data.

b) Use of estimates and judgment

(i) The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates, judgments and underlying assumptions are reviewed on an ongoing basis.

(ii) Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

(iii) The management believes that the estimates used in preparation of the Consolidated financial statements are prudent and reasonable.

4. Significant accounting policies.

(a) **Foreign currency transactions and balances:**

(i) Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions.

(ii) Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

(iii) Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

4.1 IND AS- 16Property, Plant and Equipment

Property, plant and equipment (PPE) are tangible items that:

(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one period.

* Items such as spare parts, stand-by equipment and servicing equipment are recognised in

accordance with this Ind AS when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

* The initial cost of property, plant and equipment comprises its purchase price, including nonrefundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

* Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

* Assets are depreciated to their residual values on a written down basis over the estimated useful lives based on technical estimates. Asset's residual values and useful lives are reviewed at the end of each financial year considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land, other than Mining Land, is not depreciated.

* The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

* Leasehold land is amortised over the period of lease.

* Assets not owned by the group are amortized in the year of completion.

Impairment of non-current assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the carrying value of the impaired asset over its remaining useful life.

Depreciation &Amortisation

Depreciation on property, plant and equipment is provided using Written Down Value (WDV). Depreciation Is provided based on useful life of the assets as prescribed in schedule II to the Companies Act,2013.Each part of an item of property, plant & Equipment with a cost that is significant in relation to total cost of the Machine is depreciated separately, if its useful life is different that the life of the Machine.
The residual values, useful lives and methods of depreciation of a property, plant and equipment t are reviewed at each financial year end and adjusted prospectively if appropriate.
Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the Statement of Profit and Loss when the assets is derecognised.
Spares parts procured along with the plant & machinery or which meet the recognition criteria subsequently are capitalized and added in the carrying amount of such item. The Carrying amount of those spare parts that are replaced is derecognized when no future economic benefit are expected from their use or upon disposal. Other machinery spares are treated as “stores & spares” forming part of the inventory.

Disposal of assets

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. When significant parts of plant and equipment are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognized as of 1 April,2016 (transition date) measured as per the Previous GAAP and thus, has used that carrying value as its deemed cost as of the transition date.

4.2 IND AS- 38 Intangible Assets:

i) **Initial Measurement**

Intangible assets acquired are reported at cost less accumulated amortization/depletion and accumulated impairment losses, if any. Intangible assets having finite useful life are amortized over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Subsequent Measurement:

Subsequent costs are included in the asset's carrying amount or recognised 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 can be measured reliably.

De-recognition of intangible assets

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

Amortisation

The estimated useful lives for the main categories of intangible assets having finite useful life are as follows:

Particulars	Amortisation Policy
Acquired Computer Software	Over the useful life taken as a period of 4 years

Deemed cost on transition to Ind AS

For transition to Ind AS, the group has elected to continue with the carrying value of all its intangible assets recognized as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

4.3. IND AS-36 Impairment

Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).Whereit is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, the asset's carrying amount exceeds its recoverable amount.

Reversal of Impairment Loss

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

Impairment of non-current assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset exceeds its recoverable amount (i.e. the higherof the fair value less cost to sell and value in use). The carrying amount is reduced to therecoverable amount and the reduction is recognized as an impairment loss in the Statement ofProfit and Loss. The impairment loss recognized in the prior accounting period is reversed ifthere has been a change in the estimate of recoverable amount. Post impairment, depreciation isprovided on the revised carrying value of the carrying value of the impaired asset over itsremaining useful life.

4.6. IND AS- 17 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

a Finance lease

* A lease that transfers substantially all the risks and rewards incidental to ownership to the
Group is classified as a finance lease.

* Assets given by lessor under finance lease are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease receipts are apportioned between the reduction of lease receivable and finance income so as to achieve a constant rate of interest on the remaining balance of the receivable for each period.

The corresponding rent receivables, net of finance charges, are included in current and noncurrent other financial asset. The interest element of lease is accounted in the Statement of Profit and Loss over the lease period.

* Assets taken on leases are capitalized at the commencement of the lease at the inception date at lower of fair value of the leased property or present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit or Loss. A leased asset is depreciated over the useful life of the asset.

* Assets held under finance leases are recognized as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the group's policy on borrowing costs.

b Operating lease

* An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

* Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Payments/receipts under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

4.7. IND AS- 20 Accounting for government grants

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that, consequently, the grants will be

received.
The government grants are recognized and accounted for as under :

a) Grants received from central / state government which are of revenue nature and without any conditions attached is recognized as income of the company in the year of receipt. Provided where the given grant, though of revenue nature, is intended / directed to be used over the period beyond the financial year of receipt are recognized as income only to the extent of its utilization and remained unutilized grants is carried over as a non-current liabilities and accounted for as income in the year of its utilization.

b) Grants received from central/ state government towards capital expenditure / investments are recognised as capital receipt cum deferred Incomeand credited to Non-Current Liabilities which will be transferred to profit and loss account on systematic basis i.e. useful life of the depreciable asset(s) or other assets as the case may be .

c) Grant for projects and administrative and office expenses has been deposited in a single bank account, hence for the bifurcation of interest relating to project grant and administration and office expenses grant, total interest has been divided in the ratio of 93:5 being the ratio of these grants.

4.8. IND AS- 19 Employee Benefits

Employee benefits

* Short term employee benefits, which are expected to be settled within twelve months after the end of the period in which the employees rendered the related service, are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

Post-Employment Benefits-
A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to a separate entity.
The company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company’s contribution is recognized as an expense in the statement of Profit and Loss during the period in which the employee renders the related service.
Defined Benefit Plan- None of the employees have completed 5 years of Services, hence, the Company has not recognised any Defined Benefit Plan Obligation and expenses.

Provision for liability of the retirement benefits viz. gratuity, leave encasement, post-retirement medical benefits, etc. has been made by the parent department of the employees those are working with company on deputation and other employees are working on contractual basis. Hence no liability exsits for post employement benefits.

4.9. IND AS -37 Provisions and contingencies

Provisions and contingencies

a Provisions

* Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a standalone asset only when the reimbursement is virtually certain.
* If the effect of the time value of money is material, provisions are discounted using an
appropriate discount rate. .

* Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

b Restoration, rehabilitation and decommissioning

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine and other manufacturing facilities. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalized at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the statement of profit or loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance and other cost in the statements of profit or loss.

Contingencies

* Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liabilities is disclosed in the Notes to the Consolidated Financial Statements.

* Contingent assets are not recognised in the books of the accounts but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset and the corresponding income is booked in the Statement of Profit and Loss.

4.10. IND AS-115Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Group is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period. Revenue is measured at the amount of consideration which the group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognizedwhen it becomes unconditional.

Contract Balances

Trade Receivables

A receivable represents the Group’s right to an amount of consideration that is unconditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Interest Income

Interest Income from a financial asset is recognised using Effective Interest Rate Method.

Dividend Income

Dividend Income is recognised when the Group's right to receive the amount has been established.

4.12. IND AS-12 Income Taxes

*Income tax expense represents the sum of Current Tax and Deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in Equity or Other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income.

* Current tax provision is computed for Income calculated after considering allowances and
exemptions under the provisions of the Income Tax Act 1961. Current tax assets and current tax liabilities are off set and presented as net.

* Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit.

*Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

4.13. Investment in Subsidiaries ,joint ventures and associates(Ind AS 28) :

* **Subsidiary:** A subsidiary is an entity controlled by the group. Control exists when the group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the group the ability to direct relevant activities, those which significantly affect the entity's

returns. Dividend income from subsidiaries is recognized when its right to receive the dividend is established.

* **Associate:** Associate entities are entities, over which an investor exercises significant influence but not control. Significant influence is defined as power to participate in the financial or operating policy decisions of the investee but not control over the policies.

The group assumes that holding of 20% or more of the voting power of the investee (whether directly or indirectly) gives rise to significant influence, unless contrary evidences exist.

* **Joint arrangement:** A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. 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. Investments in joint ventures are accounted for at cost.

4.14. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with maturity of three months or less.

4.15. IND AS-107 Financial Instruments

Financial instruments – initial recognition, subsequent measurement and impairment
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a Financial Assets

* Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on the judgment of the management for managing those financial assets and the assets' contractual cash flow characteristics.

* Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes, financial assets are assessed individually.

De-recognition of financial Asset

A financial asset is primarily derecognised (i.e. removed from the balance sheet) when:

* The rights to receive cash flows from the asset have expired, or

* The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

Impairment of financial assets (other than fair value)

In accordance with Ind AS 109, the group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment losses on the following financial assets:

Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balances.

Trade receivables:

* A receivable is classified as a ‘trade receivable’ if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less expected credit loss, if any.

* Impairment is made for the expected credit losses. The estimated impairment losses are presented as a deduction from the value of trade receivables and the impairment losses are recognised in the Statement of Profit and Loss under "Other expenses".

* Subsequent changes in assessment of impairment are recognised in ECL and the change in impairment losses are recognised in the Statement of Profit and Loss under "Other Expenses".

* Individual receivables which are known to be uncollectible are written off by reducing the
carrying amount of trade receivables and the amount of the loss is recognised in the Statement of Profit and Loss under "Other Expenses".

* Subsequent recoveries of amounts previously written off are credited to "Other Income".

Investment in equity instruments:

Investment in equity securities except investment in subsidiaries, associates and joint ventures are initially measured at fair value, irrespective of their current or non current nature. Any subsequent fair value gain or loss is recognised through Other Comprehensive Income since all the equity instruments are measured at Fair Value through Other Comprehensive Income .Their is no recycling of any amount of gain/loss recognised in other comprehensive income due to sale of these investments. Investments in Subsidiaries, Associates and Joint ventures have been recognised at their cost.

b Financial Liabilities

At initial recognition, all financial liabilities other than those valued at fair value through profit and loss are recognised at fair value less transaction costs that are directly related to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading.

The group has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss.

Financial liabilities measured at amortised cost

After initial recognition, interest free Security Deposits and other financial liabilities are valued at Amortised cost using Effective Interest Rate method (EIR Method). The EIR amortisation is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as "Other Income" or "Finance Expense".

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

The group has elected to apply the requirements paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the transition date.

4.16. IND AS- 101 First time adoption-mandatory exceptions, optional exemptions

- **Overall principle**

The group has prepared the opening balance sheet as per Ind AS of 1 April,2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the group as detailed below:

- **Valuation of Property, Plant & Equipment; Intangible Assets and Investment Property**

On transition to Ind AS, the group has elected to continue with the carrying value of all of its Property, Plant & Equipment; Intangible Assets and Investment Property recognized as at 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of such Property, Plant & Equipment; Intangible Assets and Investment Property.

- **Derecognition of financial assets and financial liabilities**

The group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2016 (the transition date).

- **Impairment of financial assets**

The group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS101,it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date.

Further, the group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS101.

4.17. IND AS-33 Earnings per share

(i) Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.
(ii) Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

4.18. IND AS- 23 Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.19. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The estimates and judgements used in the preparation of the Consolidated financial statements are continuously evaluated by the group and are based on historical experience and various other assumptions and factors (including expectation of future events) that the group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events that existed as at the reporting date, or that which occurred after the date but provide additional evidence about the conditions existing at the reporting date.

a. Property, plant and equipment

Management assesses the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

b. Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities.
The group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Consolidated financial statements.

c. Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the group as it is not possible to predict the outcome of pending matters with accuracy.

d. Impairment of accounts receivable and advances

Trade receivables carry interest and are stated at their fair value as reduced by appropriate allowances for expected credit losses. Individual trade receivables are written off when management deems them not to be collectible. Impairment is recognised for the expected credit losses.

e. Employee benefit expenses

Actuarial valuation for gratuity, sick leave and leave encashment liability of the group has
been done by an independent actuarial valuer on the basis of data provided by the group and assumptions used by the actuary. The data so provided and the assumptions used have been disclosed in the notes to accounts.

f. Discounting of Security deposit, retention money and other long term liabilities:

For majority of the security deposits received from contractors and the retention moneys received, the timing of outflow, as mentioned in the underlying contracts, is substantially long enough to discount/ period. The treatment of discounting is done for such security deposits, retention money and other long term liabilities which would provide any meaningful information, and have period of more than 1 year and would have material impact on the Consolidated financial statements.

g. Investment in Equity Instruments

Investments made in equity instruments other than subsidiaries, joint ventures and in associates, have been valued at deemed cost as on the date of the transition.

BHOPAL SMART CITY DEVELOPMENT CORPORATION LTD.
Zone-14, Near Tatpar Petrol Pump , BHEL, Govindpura, , Bhopal-462023, M.P.

OTHER DISCLOSURES FOR FINANCIAL YEAR 2019-2020

The preparation of financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1. **DISCLOSURES RELATING TO GOVERNMENT GRANTS IN PURSUANCE OF INDIAN ACCOUNTING STANDARD -20 - ACCOUNTING FOR GOVERNMENT GRANTS AND DISCLOSURE OF GOVERNMENT ASSISTANCE**

a) Ind AS 1 does not prescribe where government grants (balance of unamortized deferred income) should be presented in the Balance Sheet. The Company has elected to present all government grants as separate non-current liabilities on the face of the balance sheet as this provides more relevant information to the users.

b) Pending segregation of amount of grants relating to handoverProjects(ownership of assets belongs to other entities) and non-handover projects(to be owned by the Company) and interest component included therein ,the appropriate classification and accounting in pursuance of Ind AS 20 and Ind AS 109, whereever applicable has been reported on consolidated basis under the Head –Non-Current Liabilities as a separate line item.

c) Ind AS 20 requires Government Grants received in respect of depreciable assets to be amortised systematically over the useful life of the asset.

d) Note to NOTE-7-INVENTORY"As per Order dated 07-03-2020, out of the sale proceeds of said developed Plots, 50% of the consideration received attributable to "saleable plots held for development and sale " value will be retained by the Department of Urban Development and Housing, Government of Madhya Pradesh as Reserve Fund. Accordingly, 50% of Value of "Saleable Residential and Commercial plots " which is held for SALE i.e. Rs.1,12,172.59 [2,24,345.18 x 50%] has been Recognised as Value of Land under the Head Inventory with corresponding "Deferred Government Grant".[Please refer Note No-7]Accordingly,The Land admeasuring 117.15 acres estimated value at Guideline rates amounting to Rs 2,24,345.00(in lakhs) is identified as Land to be developed and sold as "Sizeable developed plots" as per Approved Project is recognized as Inventory. Please refer Detailed Note(e) to Note-17

e) Note to Note(g) of Note-17 "GOVERNMENT GRANTS FOR PROJECT EXPENDITURE":The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 (the 'Rules') on

20 September 2019. The Rules amend Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance to allow entities the option of recording non-monetary government grants at a nominal amount.

Therefore, In view of Amended Ind AS 20 read with Ind AS-8 and Ind AS -1 ,the Equivalent Value of Land comprising of DushheraMaidan, Haat Bazaar , Commercial Complex and Land area of Public Utilities and amenities is recognised as Nominal Value i.e. Rs.1. As the said Assets has been recognised for the First time and hence there is no material impact on the profit and loss account ofthe current and previously reporting period.

f) Offsetting of Financial Assets and Liabilities.

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

In case of handover projects, the amount of related government grants appearing as non –current liabilities and the corresponding financial assets (Project Expenses incurred till date) have not been offsetted during thereporting period since the Company has assessed that it does not have a legally enforceable right to set off the amount until the said project(s) have been completed as per respective contracts though said dependent Financial Assets and Liabilities are intrisicabily related to each other.

g) Discounting of Government Grants (Non- Current Financial Liability)

GRANTS RELATING TO CREATION OF FIXED ASSETS & CAPITAL WIP
The amount of Government Grants in respect of which the amount has been utilized for creation of asset need not be discounted since no further liability exists in respect of the same.

UNSPENT GRANTS
The unutilized amount of GovermentGrants(including the Grants relating to to be Handover Assets) has been invested in interest-bearing funds , hence carried at its fair value.

2. DISCLOSURES PURSUANT TO INDIAN ACCOUNTING STANDARD - 109-FINANCIAL INSTRUMENTS IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD 107

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

(A) Fair Value Measurement Hierarchy:

(Rs. In lakhs)

Particulars	As at 31st March,2020	As at 31st March,2019
Financial Assets		
At Fair Value		
Other Financial Assets	34,817.83	47,469.06

Explanation To The Fair Value Hierarchy

The Company measures financial instruments, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
Level 2	The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3	If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration included in level 3.

<u>Foreign Currency Risk:</u>

The Company does not have any dealing in any foreign currency. Hence the Company does not have any exposure and is free of any Risk associates with Foreign Currency.
There is no impact on the profit / Loss of the Company on fluctuation of any foreign currency.

Interest Rate Risk
The Company does not face any risk on account of changes in fair value or future cash flows of a financial instrument due to the changes in market interest rates.
As at the reporting date, the Company does not have any dealing in any non-current financial instrument bearing sensitivity to market interest rates.

Credit Risk:
Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises mainly from the advances given to Contractors for execution of work.
The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The credit ratings/market standing of the customers are evaluated on a regular basis.

Liquidity Risk:
Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash . The Company maintains adequate cash and cash equivalents along with the need based credit limits to meet the liquidity needs.

(B) **FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES:** Set out below is a comparison by class of the carrying amounts and fair value of the standalone financial instruments that are recognized in the financial statements:

Amount (Rs. In lakhs)

PARTICULARS	**31-Mar-20**			**31-Mar-19**		
	FVPL	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Financial assets	-			-		
Investments	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Cash and cash	-	-	2,268.41	-	-	6,398.03
Other Financial Assets	-	-	34,817.83	-	-	47,469.06
Total financial assets	**-**	**-**	**37,086.24**	**-**	**-**	**53,967.26**
Financial liabilities						
Other Financial Liability	90.74	-	5,627.05	1.26	-	4,284.62
Borrowings	-	-	-	-	-	-
Trade payables	-	-	170.06	-	-	590.61
Total financial liabilities	**90.74**	**-**	**5,797.09**	**1.26**	**-**	**4,875.23**

Fair valuation techniques

The group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

a. Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b. Interst free security deposits accepted by the group have been carried at their amortised cost as their discounting will not represent the meaniningful and fair information and the contractual term for which they are received is not substantially long.

3. Balance lying under BMC(Bhopal Municipal Corporation of Rs. 2641.87 Lakhs – Note-No 6(a)), sundry debtors, sundry creditors, other creditors, deposits advances and all personal accounts are subject to confirmation/reconciliation and consequential adjustments.Recovery has been made from those persons to whom payments has been made after 31-03-2020. The management is trying to recover remaining debit Balances.

4. During the year 2020-21, in pursuance the decision made between the management of the Corporation and the Management of the M P Metro Rail Corporation Limited (MPMRCL), the amount towards the Rent of the Building and incidental expenses is to be recovered from the MPMRCL from 2018-2019(Rs 36,64,790.00) and 2019-2020(Rs. 87,95,496.00). The said amount has been recognized as Income during the year 2019-2020 as accrued Incomes but not Due as on 31-03-2020. Therefore, we are not liable to pay GST at time of recognition of accrued Income (i.e. Un-billed Revenue).

5. During the year there exist non-compliances of various laws viz delayed deposit of returns and taxes. This has resulted in Interest and Late Fees. The management of the corporation is taking appropriate steps so that statutory compliances can be made within the due dates prescribed under the respective statues.

6. The B-Nest Foundation (A Subsidiary Company of BSCDCL) is a Section 25 Company under the Companies Act, 2013. The Grant (payment of actual expenses basis) is in the nature of Grant has been accounted for in the Books of BSCDCL as Expenses. Further, in the book of B-Nest Foundation, the amount equivalent to the Expenses accounted for by BSCDCL in their Books, has been shown as Grant from BSCDCL.

7. The claim of ITC by the corporation is subject to confirmation by the competent authority under the GST Law. The Corporation has already reversed ITC amounting

to Rs. 58.10 crores in the year 2020-21. The handing over of Project(s) is a government decision and therefore till the decision of handover the project may earn Income and be liable for deposit of GST. Any reversal of ITC before the Handover may result into loss of ITC to the corporation.

In view of un-certainty of handover of projects, reversal of ITC of remaining project(s) may be done at the time of handover of the projects.

8. The Aggregate Turnover of the Corporation excluding the Grant received from Central /State Government is less than Rs. 2 crores. Hence, Annual Return for FY 2018-19 is optional. The Grant received has been shown as Liability and therefore it cannot be part of the receipts of the BSCDCL.

9. **Prior Year Expenses and /or Income -Adjustments in Same Line of Items of current reporting Period.**
In view of principle of materiality, Reporting of Rs. 19.40 Lakhs(2.29% of Total Expenses of 849 Lakhs) under the various Expenses viz Professional & Audit fees, Electricity expenses and Duties & taxes has been adjusted from figures of Current Year 2019-20.

10. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

11. **DISCLOSURES PURSUANT TO INDIAN ACCOUNTING STANDARD - 17 – ACCOUNTING FOR LEASES**

The Company has shared a part of a Building which is on operating Lease for a period of 10 years taken by BMC(Bhopal Municipal Corporation). Shared annual Expenses in respect of the same have been charged to the Statement of Profit & Loss for the respective periods.

a. **DISCLOSURES PURSUANT TO INDIAN ACCOUNTING STANDARD - 24 -RELATED PARTY DISCLOSURES**

(A) Related parties and their relationship:

S.No.	Name of Party	Nature of Relationship
1.	Indore Smart City Development Corporation Ltd.	Subsidiary Company(s) ofParent/Holding (i.e. MPUDCL) Company
2.	Jabalpur Smart City Development Corporation Ltd.	
3.	Gwalior Smart City Development Corporation Ltd.	
4.	Ujjain Smart City Development Corporation Ltd.	
5.	Sagar Smart City Development Corporation Ltd.	
6.	Satna Smart City Development Corporation Ltd.	
7.	Madhya Pradesh Urban Development Company Limited	Holding Company

8.	Bhopal Municipal Corporation	Associate Company of BSCDCL

(B) Key Managerial Personnel:

Sr.No.	Name of Party	Nature of Relationship
1	Shri Aditya Singh	Chief Executive Officer w.e.f 20.06.2020
2	Shri Deepak Singh	Chief Executive Officer till 31.03.2020
3	Shri Sunil Singh Bhadoria	Chief Finance Officer w.e.f July 2019
4	Mr.YogeshKhakre	Company Secretary
3	Shri Sanjay Kumar Ji	Chief Finance Officer till May 2019

(C) Transactions with related parties:

Amounts (Rs. In lakhs)

Sr.No.	Name of Party	Nature of Transaction	Amount 2019-2020	Amount 2018-2019
1	Indore Smart City Development Corporation Ltd.	Grant for ICCC Project	196.84	387.00
2	Jabalpur Smart City Development Corporation Ltd.	Grant for ICCC Project	0.00	583.84
3	Gwalior Smart City Development Corporation Ltd.	Grant for ICCC Project	0.00	517.17
4	Ujjain Smart City Development Corporation Ltd.	-	517.17	0
5	Sagar Smart City Development Corporation Ltd.	Grant for ICCC Project	0.00	517.17
6	Satna Smart City Development Corporation Ltd.	Grant for ICCC Project	0.00	583.84
7	Madhya Pradesh Urban Development Company Limited	-	0	0
8	Bhopal Municipal Corporation	Payment to contractors for Multi-Level Parking Project	2641.87	2,550.94

(D) Transactions with related Parties

(Amount in lakhs (Rs.))

Sr.No.	Name of Party	Nature of Transaction	Amount 2019-2020	Amount 2018-2019
1	Mr. Deepak Singh	Remuneration	22.19	6.60
2	Shri Sanjay Kumar	Remuneration	5.13	19.51
3	Shri Sunil Singh Bhadoria	Remuneration	9.84	9.42
4	Mr.YogeshKhakre	Remuneration	9.31	8.61

12. CAPITAL MANAGEMENT

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

(a) Maintain financial strength to attain AAA ratings domestically and investment grade ratings internationally.

(b) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.

(c) Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

The gearing ratio at end of the reporting period was as follows:

(Amount in lakhs (Rs.))

Particulars	As at 31st March 2020	As at 31st March 2019
Non-Current Liabilities (Other than DTL)	1,29,735.56	143,707.53
Current maturities of Long Term debts	-	-
Gross Debt	1,29,735.55	143,070.53
Cash and Cash Equivalents	2,268.41	6,398.03
Net Debt (A)	1,27,467.15	135,410.37
Total Equity (As per Balance Sheet) (B)	20,057.23	20,040.32
Net Gearing (A/B)	**6.36**	**6.76**

13. (a) The Company has not given any Loans, nor made any Investments and has not given any guarantee which is covered under section 186(4) of the Companies Act 2013.

(b) The balances of Sundry Debtors or Creditors (whether debits or Credits) , other deposits and advances are subject to confirmation from respective parties

14. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended dividend of Rs Nil Per fully paid up equity share of Rs.10/- each, aggregating Rs. Nil Including Rs. Nil dividend distribution tax for the financial year 2019-20.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on 31.07.2021

AS PER OUR REPORT OF EVEN DATE

For: ARUN K JAIN & ASSOCIATES

FOR BHOPAL SMART CITY DEVELOPMENT CORPORATION LTD.

BHOPAL SMART CITY DEVELOPMENT CORPORATION LTD.
Zone-14, Near Tatpar Petrol Pump , BHEL, Govindpura, , Bhopal-462023, M.P.

Chartered Accountants

CA ARUN K JAIN	**K.V.S. CHOUDARY**	**ADITYA SINGH**
(PROPREITOR)	**(EXECUTIVE DIRECTOR)**	**(CHIEF EXECUTIVE OFFICER)**
M.No. 071661	**DIN:-08221228**	**DIN:- 08940872**
Firm Regn No. 002626C		
Place: Bhopal	**SUNIL SINGH BHADAURIA**	**YOGESH KHAKRE**
Date:31.07.2021	**(CHIEF FINANCIAL OFFICER)**	**(COMPANY SECRETARY)**
UDIN:21071661AAAAEW6809		