INDEPENDENT AUDITOR'S REPORT

To the Members of Pune Smart City Development Corporation Ltd, Pune

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS statements financial statements of Pune Smart City Development Corporation Ltd ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, Statement of Changes in Equity and the statement of cash flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2020 and its profit and loss, Changes in Equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements/ information of **NIL branches** included in the Standalone Ind AS financial statements of the company whose financial statements/financial information reflect total assets of **NIL** as at 31st March 2020 and the total revenue of **NIL** for the year ended on that date, as considered in the financial statements/information of these branches have been audited by the internal auditors of respective branches whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches if any, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section

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143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. *Section 129 of Companies Act, 2013 prescribes for consolidation of Financial Statements of a subsidiary company by a holding company. Pune Idea Factory Foundation (PIFF), a wholly owned subsidiary company of PSCDCL, is registered under Section 8 of Companies Act, 2013. Provisions of Sec. 8 of Companies Act, 2013 prohibits a company from distribution of profits to its members. In view of this, we are of the opinion that preparing consolidated financial statements are not required.*

   On same lines, the conditions laid down in para 7 of Ind AS 110 are not satisfied. In view of this, preparation of Consolidated Financial Statements are not applicable.

3. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. Proper Records, adequate for the purpose of our audit have been received from the branches not visited by us;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

   (c) The company does not have any branches and hence branch Audit is not applicable.

   (d) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (f) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

      i) The Company does not have any pending litigations which would impact its financial position

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

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iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For P R A S S & Associates LLP
Chartered Accountants

J. J. Ranadive
Partner
M.No. 032953
Date: 30.12.2020
Place: Pune
UDIN: 20032953AAAABH3187

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"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties, wherever applicable, are held in the name of the company.

2) (a) The management has conducted the physical verification of inventory at reasonable intervals.

b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, maintenance of Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Act, is not applicable because the company does not fulfill the criteria of maintaining the Cost Records.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, service tax, duty of customs, duty of excise, outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the

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Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

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

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
M/s P R A S S & Associates LLP
Chartered Accountants
Firm Registration No. 107816W/W100222

Partner
CA J.J. Ranadive
Mem. No:032953
Place: Pune
Date : 30.12.2020
UDIN: 20032953AAAABH3187

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Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) ofSub-section3 of Section143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of Pune Smart City Development Corporation Limited ("the Company") as of 31 March 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 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the" Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operate defectively 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 standalone Ind AS financial statements, whether due to fraud or error.

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

P R A S S & ASSOCIATES LLP
FRN 111009
Chartered Accountants

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 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
M/s P R A S S & Associates LLP
Chartered Accountants
Firm Registration No. 107816W/W100222

Partner
CA J.J. Ranadive
Mem. No:032953
Place: Pune
Date : 30.12.2020

UDIN: 20032953AAAABH3187

P R A S S & ASSOCIATES PUNE-411009 Chartered Accountants

Pune Smart City Development Corporation Limited
Balance Sheet as at March 31, 2020

(Amount in Rupees)

		Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A		**ASSETS**			
	1	**Non-current assets**			
		(a) Property, Plant and Equipment	3	67,71,988	45,49,584
		(b) Capital work-in-progress	3	40,08,24,792	32,34,08,899
		(c) Other Intangible assets	3	67,113	97,172
		(d) Financial Assets - Investments	4	4,90,00,000	4,90,00,000
		(f) Income Tax Assets		6,60,27,699	5,67,49,809
		(g) Deferred tax assets (net)	10	-5,70,704	-5,31,282
		(h) Other non-current assets	5	45,96,896	84,080
		Total Non - Current Assets		52,67,17,784	43,33,58,262
	2	**Current assets**			
		(a) Financial Assets			
		(i) Cash and cash equivalents	6	77,84,42,934	1,02,30,77,195
		(ii) Bank balances other than (i) above	6	2,38,50,40,995	2,30,72,90,603
		(iii) Loans	7	-	67,71,986
		(iv) Others Financial Assets	8	1,15,52,129	4,77,43,378
		(b) Other Current Assets	9	10,73,06,280	32,50,61,945
		Total Current Assets		3,28,23,42,338	3,70,99,45,107
		Total Assets (1+2)		3,80,90,60,122	4,14,33,03,369
B		**EQUITY AND LIABILITIES**			
	1	Equity			
		(a) Equity Share capital	11	1,96,00,00,000	1,96,00,00,000
		(b) Instruments Entirely Equity in Nature	11.1	52,02,50,000	3,02,50,000
		(c) Reserve & Surplus	11.2	-19,57,21,206	-8,36,86,558
		Equity attributable to owners of the Company (I)		2,28,45,28,794	1,90,65,63,442
		LIABILITIES			
	2	**Non-current liabilities**			
		Other Non - Current Liabilities	12	1,04,58,10,972	1,70,56,52,431
		Total Non - Current Liabilities		1,04,58,10,972	1,70,56,52,431
	3	**Current liabilities**			
		(a) Financial Liabilities			
		(i) Borrowings	13	-	30,34,80,331
		(ii) Trade and other payables	14		
		a) Payable to Micro & Small Enterprises		-	-
		b) Payable to other than Micro & Small Enterprises		5,55,312	5,14,29,283
		(iii) Other Financial Liabilities	15	27,99,20,604	14,98,28,945
		(b) Other Current Liabilities	12	19,82,44,440	2,63,48,937
		Total Current Liabilities		47,87,20,356	53,10,87,496
		Total Equity and Liabilities (1+2+3)		3,80,90,60,122	4,14,33,03,369
		Significant accounting policies **See accompanying notes forming part of the financial statements.**	2 1 - 31		

In terms of our report attached.

For P R A S S & Associates LLP
Chartered Accountants
FRN 107816W/W100222

CA J J Ranadive
Partner
M No 032953
Date: 30-12-2020
Place: Pune
UDIN: 20032953AAAABH3187

For and on behalf of the Board of Directors of

Pune Smart City Development Corporation Limited

Director — Murlidhar Mohol — DIN 07783444

Director — Deepali Dhumal — DIN 0883598

Dr Sanjay Kolte
Executive Director & CEO
DIN 02033601

Ulka Kalaskar
Chief Finance Officer
(Interim Charge)

Swanand Shede
Company Secretary

Pune Smart City Development Corporation Limited
Statement of Profit and Loss for the year ended March 31, 2020

(Amount in Rupees)

Particulars			Note No.	For the Period from April 01, 2019 to March 31, 2020	For the Period from April 01, 2018 to March 31, 2019
Continuining Operations					
I	Revenue from operations			-	-
II	Other Income		16	1,84,43,27,753	63,27,24,531
III	**Total Income (I + II)**			**1,84,43,27,753**	**63,27,24,531**
IV	**EXPENSES**				
	(a)	Employee benefit expense	17	2,49,48,416	2,20,51,913
	(b)	Finance costs	18	1,39,30,199	1,03,69,677
	(c)	Depreciation and amortization expense	3	11,24,579	8,53,629
	(d)	Other expenses	19	1,91,63,19,786	66,13,63,216
	Total Expenses (IV)			**1,95,63,22,979**	**69,46,38,435**
V	**Profit/(loss) before tax (III - IV)**			**-11,19,95,226**	**-6,19,13,904**
VI	**Tax Expense**				
	(1)	Current tax	10	-	-
	(2)	Deferred tax	10	39,422	5,46,511
	(3)	(Excess) / Short provision for tax of earlier years		-	-
	Total tax expense VI			**39,422**	**5,46,511**
VII	**Profit/(loss) after tax (V - VI)**			**-11,20,34,648**	**-6,24,60,415**
VIII	**Other comprehensive income**				
	Items that will not be recycled to profit or loss				
	- Remeasurements of the defined benefit liabilities / (asset)				
IX	**Total comprehensive income for the period (VII + VIII)**			**-11,20,34,648**	**-6,24,60,415**
X	**Earnings per equity share**				
	(1)	Basic	22	-0.57	-0.32
	(2)	Diluted	22	-0.57	-0.32
Significant accounting policies			2		
See accompanying notes forming part of the financial statements.			1 - 31		

In terms of our report attached.

For P R A S S & Associates LLP
Chartered Accountants
FRN 107816W/W100222

CA J J Ranadive
Partner
M No 032953
Date: 30-12-2020
Place: Pune
UDIN: 20032953AAAABH3187

PRASS & ASSOCIATES LLP PUNE-411009 Chartered Accountants

For and on behalf of the Board of Directors

For Pune Smart City Development Corporation Limited

Director
Murlidhar Mohol
DIN 07783444

Director
Deepali Dhumal
DIN 0883598

Dr. Sanjay Kolte
Executive Director & CEO
DIN 02033601

Ulka Kalaskar
Chief Finance Officer
(Interim Charge)

Swanand Shede
Company Secretary

PUNE SMART CITY DEVELOPMENT CORPORATION LIMITED
CIN-U93000PN2016SGC158980
P.M.C. MAIN BUILDING SHIVAJINAGAR Pune MH 411005
CASH FLOW STATEMENT as at March 31, 2020

(Amount in Rupees)

S No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	<u>Cash flows from operating activities</u>		
	Net profit before taxation, and extraordinary item	(11,19,95,226)	(6,19,13,904)
	Adjustments for Depreciation	11,24,579	8,53,629
	Interest Income	(14,94,12,044)	(15,65,86,351)
	Interest Paid	1,39,29,378	1,03,68,930
	Operating profit before working capital changes	*(24,63,53,313)*	*(20,72,77,696)*
	Increase in Trade Payable	(5,08,73,971)	(8,18,89,736)
	Increase in Other Financial Liabilities	13,00,91,659	(12,82,90,154)
	Increase in Other Current Liabilities	17,18,95,504	65,36,910
	Increase in Other Non-Current Liabilities	(65,98,41,459)	(36,21,58,844)
	Increase in Income Tax Assets	(92,77,890)	(1,74,07,501)
	Increase in other non current Assets	(45,12,816)	2,88,52,189
	Decrease in other current Assets	21,77,55,665	(4,91,75,042)
	Decrease in Other Financial Assets	3,61,91,249	(4,13,96,385)
	Increase in Short Term Provisions	-	-
	Increase in Deferred Income - Interest Capitalised	-	-
	Cash generated from operations	*(41,49,25,372)*	*(85,22,06,257)*
	Income Tax Paid		-
	Net cash used in operating activities (A)	***(41,49,25,372)***	***(85,22,06,257)***
2	<u>Cash flows from investing activities</u>		
	Purchase of fixed assets	(33,16,925)	(32,66,768)
	Interest received	14,94,12,044	15,65,86,351
	Advances for Projects	-	-
	Investment in Capital Work-in-progress Projects	(7,74,15,893)	10,27,13,047
	Equity Shares in PIFF	-	-
	Net cash used in investing activities (B)	***6,86,79,226***	**25,60,32,630**
3	<u>Cash flows from financing activities</u>		
	Proceeds from issuance of share capital	-	10,00,00,000
	Interest paid	(1,39,29,378)	(1,03,68,930)
	Contribution Received from Shareholders towards Equity	-	-
	Grant Received from GOI		-
	Increase/(Decrease) in Other Equity	49,00,00,000	(10,00,00,000)
	Increase in Borrowings - Bank Over Draft	(30,34,80,331)	11,70,72,865
	Repayment of Loan given to PIFF	67,71,986	(27,19,326)
	Net cash used in financing activities (C)	***17,93,62,277***	**10,39,84,609**
4	Net increase in cash and cash equivalents (A+B+C)	**(16,68,83,869)**	**(49,21,89,017)**
5	Cash and cash equivalents at beginning of period	**3,33,03,67,798**	**3,82,25,56,817**
6	Cash and cash equivalents at end of period	**3,16,34,83,929**	**3,33,03,67,798**

In terms of our report attached.

For P R A S S & Associates LLP
Chartered Accountants
FRN 107816W/W100222

CA J J Ranadive
Partner
M No 032953
Date: 30-12-2020
Place: Pune
UDIN: 20032953AAAABH3187

P R A S S & ASSOCIATES LLP PUNE-411009 Chartered Accountants

For and on behalf of the Board of Directors of

Pune Smart City Development Corporation Limited

Director
Murlidhar Mohol
DIN 07783444

Director
Deepali Dhumal
DIN 0883598

Dr. Sanjay Kolte
Executive Director & CEO
DIN 02933601

Ulka Kalaskar
Chief Finance Officer
(Interim Charge)

Swanand Shede
Company Secretary

Pune Smart City Development Corporation Limited
Statement of Changes in Equity

A. Changes in Equity (Amount in Rupees)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the period	1,96,00,00,000	1,86,00,00,000
Shares issued during the period		10,00,00,000
Balance at the end of the period	1,96,00,00,000	1,96,00,00,000

B. Changes in Other Equity (Amount in Rupees)

Particulars	Contribution received from Shareholders towards equity	Retained earnings	Total
Balance at the beginning of the period	3,02,50,000	(8,36,86,558)	(5,34,36,558)
Loss for the period	-	-	-
Addition during the period / (Transferred to Equity)	49,00,00,000	(11,20,34,648)	37,79,65,352
Balance as at March 31, 2020	52,02,50,000	(19,57,21,206)	32,45,28,794

In terms of our report attached.

For P R A S S & Associates LLP
Chartered Accountants
FRN 107816W/W100222

CA J J Ranadive
Partner
M No 032953
Date: 30-12-2020
Place: Pune
UDIN: 20032953AAAABH3187

For and on behalf of the Board of Directors

For Pune Smart City Development Corporation Limited

Director
Murlidhar Mohol
DIN 07783444

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Dr.Sanjay Kolte
Executive Director & CEO
DIN 02033601

Ulka Kalaskar
Chief Finance Officer
(Interim Charge)

Swanand Shede
Company Secretary

PRASS & ASSOCIATES LLP PUNE-411009 Chartered Accountants

Pune Smart City Development Corporation Limited
Notes forming part of the financial statements for the year ended 2019-20

1. CORPORATE INFORMATION

Pune Smart City Development Corporation Limited ('PSCDCL' or 'the company') is a public company domiciled and incorporated in India under the Companies Act, 2013 ('the Act'). The registered office of the company is situated at Pune Municipal Corporation (PMC) office Main Building at Shivaji Nagar Pune. PSCDCL is Special Purpose Vehicle (SPV) formed under Smart City Mission of the Government of India for implementation of smart city projects in Pune. The core objectives of Pune Smart Cities Mission is to provide core infrastructure, decent quality of life to citizens of Pune with clean and sustainable environment and application of Smart solutions.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Previous year figures have been re-grouped to make them comparable with that of curret years. Has also the figures has been rounded of to nearest rupee one

2.02 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

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

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.06.

Provisions and contingent liabilities

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

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

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

2.03 Revenue Recognition

1. Revenue is recognized on accrual basis of accounting.

2. Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. Interest Income received on account of Government Grants for Capital Projects is capitalized and not shown as income. The Board of Directors have decided to capitalise Smart Elements Project as it will generate future economic benefits. All other projects have been expensed out.

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Chartered Accountants

2.04 Government grants

Government grants are not recognized until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in the which the company recognizes as expenses the related costs for which grants are intended to compensate. Specifically, government grants whose primary conditions is that the Company should purchase, construct or otherwise acquire non - current assets are recognized as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in profit or loss in the period in which they become receivable.

2.05 Employee benefits

Short-term employee benefits

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

Post-employment and other long-term employee benefits

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

2.06 Taxation

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

2.07 Property, Plant and Equipment

Property, plant and equipment held for use or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use.

Capital work-in-progress for use or for administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is recognized (other than on capital work-in-progress) on a straight line basis over the estimated useful lives of assets as defined under Companies Act 2013. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, anticipated technological changes etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis. The company has adopted useful life as defined under Companies Act, 2013.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

2.08 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight line basis over their estimated useful lives, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

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

2.09 Financial instruments

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

Cash and cash equivalents
The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

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

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

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

Financial liabilities
Financial liabilities are measured at amortized cost using the effective interest method.

Equity instruments
An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognized by the Company are recognized at the proceeds received net off direct issue cost.

Reclassification of Financial Assets
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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

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

2.12 Current/Non-Current Classification
The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:
- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current.
A liability is current when it satisfies any of the following criteria:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period Current liabilities include the current portion of long term financial liabilities.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

2.13 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

2.14 Fair Value Measurement

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

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Company.

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

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

Determination of Fair Value

1) Financial Assets

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

2) Financial Liabilities

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

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

Subsequent Measurement

Fair value through Profit & Loss

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

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

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Pune Smart City Development Corporation Limited
Notes forming part of the financial statements for the year ended 2019-20

Note - 3A : Property Plant and Equipment :

(Amount in Rupees)

Pune Smart City Development Corporation Limited
Property, Plant And Equipment Schedule As Per Companies Act, 2013

		FIXED ASSET - GROSS BLOCK				DEPRECIATION					
Sr No	Particulars	Opening Gross Block (Reconstituted)	Additions	(Deletions)/ Adjustments	Closing Gross Block as on March 31, 2020	Accumulated Dep. Opening Balance (Reconstituted)	Depreciation for the Period	Depreciation on (Deletions) / Adjustments	Total Accumulated Depreciation as on March 31, 2020	Net Book Value as on March 31, 2020	Net Book Value as on March 31, 2019
A)	Furniture and Fixture	29,48,219	27,74,623	-	57,22,842	2,03,792	4,15,553	-	6,19,345	51,03,497	27,44,427
		29,48,219	27,74,623	-	57,22,842	2,03,792	4,15,553	-	6,19,345	51,03,497	27,44,427
B)	Office Equipment's & Computers	26,46,389	5,42,302	-	31,88,691	8,41,233	6,78,967	-	15,20,200	16,68,491	18,05,156
		26,46,389	5,42,302	-	31,88,691	8,41,233	6,78,967	-	15,20,200	16,68,491	18,05,156
	Total	55,94,608.00	33,16,925	-	89,11,533	10,45,025	10,94,520	-	21,39,545	67,71,988	45,49,583

Note - 3B : Intangible Assets:

Pune Smart City Development Corporation Limited
Intangible Assets Schedule As Per Companies Act, 2013

		FIXED ASSET - GROSS BLOCK				DEPRECIATION					
Sr No	Particulars	Opening Gross Block	Additions	Deletions	Closing Gross Block as on March 31, 2020	Accumulated Dep. Opening Balance	Depreciation for the period	Depreciation on Deletions	Total Accumulated Depreciation as on March 31, 2020	Net Book Value as on March 31, 2020	Net Book Value as on March 31, 2019
A)	Software	1,17,849	-	-	1,17,849	20,677	30,059	-	50,736	67,113	97,172
		1,17,849	-	-	1,17,849	20,677	30,059	-	50,736	67,113	97,172

Note - 3C : Capital Work-in-progress:

Sr No	Particulars	As at March 31, 2020	As at March 31, 2019
1	Smart School	81,07,800	-
2	Smart Elements	39,27,16,992	32,34,08,899
	Total	40,08,24,792	32,34,08,899

Notes:

1. All projects except Smart Elements and Smart School Digital Education Softwere have been expensed out in current year as there is no visibility regarding future economic benefits being generated from same and PSCDCL have no control and ownership over the projects

2. Smart Elememt Project contains certain elements which have achieved Go Live status. However, value of individual elements cannot be determined. Therefore, it is not possible to transfer the same from Work in Progress to Capital Assets. Once all elements have achieved Go Live Status, entire project will be transfered to Capital Assets & depreciation on same can be claimed.

Pune Smart City Development Corporation Limited
Notes forming part of the financial statements for the year ended 2019-20

(Amount in Rupees)

Note No. 4 - Non Current Investment

Particular	As at March 31, 2020	As at March 31, 2019
A. COST		
Unquoted Investments (all fully paid)		
Investments in Equity Instruments of Subsidiary		
Investment in Pune Idea Factory Foundation	4,90,00,000	4,90,00,000
4,900,000 Equity Shares of Rs 10 Each fully paid		
INVESTMENTS CARRIED AT COST	4,90,00,000	4,90,00,000

Note No. 5 - Other non-current assets

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Capital advances	-	-
(b) Deposits	45,96,896	84,080
(c') Balances with Government Authorities (Other than Income Tax)	-	-
TOTAL	45,96,896	84,080

Note No. 6 - Cash and Bank Balances

Particulars	As at March 31, 2020	As at March 31, 2019
A) Current Cash and bank balances		
(a) Unrestricted Balances with banks	77,84,25,301	1,02,30,77,158
(b) Cheques, drafts on hand	-	-
(c) Cash in hand	17,633	37
(d) Balances with banks in deposit accounts with original maturity of less than 3 months		
Cash and Cash equivalent as per balance sheet	77,84,42,934	1,02,30,77,195
Bank Overdraft	-	30,34,80,331
Total Cash and cash equivalent as per statement of cash flows	77,84,42,934	71,95,96,864
B) Other Bank Balances		
(a) Balances with banks in deposit accounts with original maturity more than 3 months	1,45,00,00,000	1,00,00,00,000
(b) In earmarked accounts		
- Earmarked for On Going Projects (As per list below)	93,50,40,995	1,30,72,90,603
Total Other Bank Balances	2,38,50,40,995	2,30,72,90,603

Other Bank Balances in Earmarked Accounts	As at March 31, 2020	As at March 31, 2019
i) Fixed Deposits towards Security Deposit from Vendors	50,40,995	-
ii) GOI Grant (For Project Expenses)	93,00,00,000	-
III) E-Governance & Citizen Services	-	1,30,50,00,000
IV) Urban Mobility	-	22,90,603
TOTAL	93,50,40,995	1,30,72,90,603

Note No. 7 - Loans

Particulars	As at March 31, 2020	As at March 31, 2019
a) Advance to related Parties	-	67,71,986
TOTAL	-	67,71,986

Note No. 8 - Others - Current Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
a) Interest accrued on deposits	1,15,52,129	4,77,43,378
TOTAL	1,15,52,129	4,77,43,378

Note No. 9 - Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Receivable from Pune Municipal Corporation (EMD)	5,72,69,389	3,16,54,658
Advances to Contractors	5,00,36,891	29,34,07,287
TOTAL	10,73,06,280	32,50,61,945

Note No. 10 - Current Tax and Deferred Tax

(a) Income Tax Expense

Particulars	As at March 31, 2020	As at March 31, 2019
Current Tax:		
Current Income Tax Charge	-	-
Adjustments in respect of prior years	-	-
Deferred Tax		
In respect of current year origination and reversal of temporary differences	39,422	5,46,511
Total Tax Expense recognized in profit and loss account	39,422	5,46,511

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

Particulars	As at March 31, 2020	As at March 31, 2019
Profit Before tax from Continuing Operations	(11,19,95,226)	(6,19,13,904)
Income Tax using the Company's domestic Tax rate @ 30.9%	-	-
Income Tax recognized In P&L from Continuing Operations (Effective Tax Rate)	39,422	5,46,511

(c) Deferred tax (liability) / asset

Particulars	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipment	44,891	5,59,510
Tax effect of items constituting deferred tax assets		
Incorporation Expenses	5,469	12,999
Net Deferred Tax Asset	(39,422)	(5,46,511)

Note No. 11 - Equity Share Capital

Equity share capital	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorized:				
Equity shares of Rs 10 each with voting rights	30,00,00,000	3,00,00,00,000	30,00,00,000	3,00,00,00,000
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	19,60,00,000	1,96,00,00,000	19,60,00,000	1,96,00,00,000

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled for one vote per share held. In the event of liquidation of the company the holder of the equity share will be entitled to receive remaining asset after deducting all its liabilities in proportion to the number of equity shares held.

Note No. 11A - Equity Share Capital

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	No. of shares	Amount
Opening balance	19,60,00,000	1,96,00,00,000
Changes in equity share capital during the period		
Add: Share Capital issued During the year	-	-
Balance at March 31, 2020	19,60,00,000	1,96,00,00,000

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

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
State Government of Maharashtra	9,80,00,000	50%	9,80,00,000	50%
Pune Municipal Corporation	9,80,00,000	50%	9,80,00,000	50%
Percentage		100%		100%

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Chartered Accountants

Note No. 11.1 - Instruments Entirely Equity in Nature

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings		
* Opening Balance	-	-
*Transfer to retained earnings	-	-
	-	-
Contribution received from Shareholders towards equity		
Opening Balance	3,02,50,000	13,02,50,000
Received during the year	49,00,00,000	-
Less: Transferred to Equity	-	10,00,00,000
	52,02,50,000	3,02,50,000
Balance at the end of the reporting period - March 31, 2020	52,02,50,000	3,02,50,000

Note No.11.2 Reserve & Surplus (Balance of Retained Earnings /Losses)

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings		
Opening Balance	(8,36,86,558)	(2,12,26,143)
Transfer to retained earnings	(11,20,34,648)	(6,24,60,415)
	(19,57,21,206)	(8,36,86,558)
Balance at the end of the reporting period - March 31, 2020	(19,57,21,206)	(8,36,86,558)

Note - 12: Other Liabilities

A. Non - Current

Particulars	As at March 31, 2020	As at March 31, 2019
a. Project related grant received from Government of India (GoI) (Refer Table Below)	1,04,58,10,972	1,70,56,52,431
b. Revenue related grant received from Government of India (GoI) (Refer Table Below)	-	-
c. Deferred Income : Interest on Earmarked Project Funds	-	-
d. Contribution received from Pune Municipal Corporation (PMC) towards Equity (transfer this year towards Equity	-	-
Total Other Liabilities	1,04,58,10,972	1,70,56,52,431

Project related grant received from Government of India

Particulars	93 % towards Projects Rs	5% towards A & OE Rs	2% MoUD Share Rs
a. Grant Received - Opening Balance including interest	1,70,56,52,431	-	-
b. Paid by MoUD for preparation of SCP	-	-	-
c. Retained by MoUD towards their expenditure share	-	-	-
d. Additional Grant Received during the Year	93,00,00,000	5,00,00,000	2,00,00,000
e. Interest during the year	4,43,42,069		
Total	2,67,99,94,500	5,00,00,000	2,00,00,000
f. Retained by MoUD towards their expenditure share and applied	-	-	2,00,00,000
g. Paid by MoUD for preparation of SCP (Pre-incorporation) and applied	-	-	-
h. Appropriation towards income in proportion to revenue expenditure	1,63,41,83,528	5,00,00,000	-
Total Deductions	1,63,41,83,528	5,00,00,000	2,00,00,000
Closing Balance	1,04,58,10,972	-	-

B. Current

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues		
- taxes payable (other than income taxes)	55,71,028	1,42,065
- TDS Payable	48,61,583	40,07,314
Security Deposit	11,81,59,729	1,68,88,216
Retention Money for Technical Reason	6,96,52,100	53,11,342
Retention Money for Work In Progress	-	-
Total Other Current Liabilities	19,82,44,440	2,63,48,937

Note No. 13 - Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
IDFC Bank OD	-	30,34,80,331
Total other financial liabilities	-	30,34,80,331

Note No. 14 - Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payable for goods & services dues to Micro, Small and Medium Enterprises (Refer Note 24)	-	-
Trade payable for goods & services dues to creditors other than Micro, Small and Medium Enterprises	5,55,312	5,14,29,283
Total trade payables	5,55,312	5,14,29,283

Note No. 15 - Other Current Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Earnest Money Deposits (EMD) Collected	5,88,99,507	3,30,86,895
(b) Provision for Expenses	22,10,21,097	11,67,42,050
Total other financial liabilities	27,99,20,604	14,98,28,945

PRASS & ASSOCIATES LLP Chartered Accountants

Pune Smart City Development Corporation Limited
Notes forming part of the financial statements

Note No. 16 - Other Income

(Amount in Rupees)

Particulars	For the Period from April 01, 2019 to March 31, 2020	For the Period from April 01, 2018 to March 31, 2019
(a) Interest Income	14,94,12,044	15,50,98,991
Less : Transferred to Deferred Income - Interest on Earmarked Project Funds	-	-
	14,94,12,044	15,50,98,991
(b) **Revenue Grant Transfer to Income**		
Share of 2% MoUD Grant transferred to Income (respective debit to expenses)	-	-
Share of MoUD for preparation of SCP (pre-incorporation) expenditure incurred by PMC	-	-
Appropriation towards Income	1,63,41,83,528	47,61,38,180
Share of 5% A & OE GoI Grant Transferred to Income	5,00,00,000	-
(b) **Misc Income**	1,07,32,181	14,87,360
Total Other Income	**1,84,43,27,753**	**63,27,24,531**

Note No. 17 - Employee Benefits Expense

Particulars	For the Period from April 01, 2019 to March 31, 2020	For the Period from April 01, 2018 to March 31, 2019
Salaries and wages, including bonus	2,49,48,416	2,20,51,913
Total Employee Benefit Expense	**2,49,48,416**	**2,20,51,913**

Note No. 18 - Finance Cost

Particulars	For the Period from April 01, 2019 to March 31, 2020	For the Period from April 01, 2018 to March 31, 2019
(a) Bank charges	821	747
(b) Interest Expenses	1,39,29,378	1,03,68,930
Total finance costs	**1,39,30,199**	**1,03,69,677**

Note No. 19 - Other Expenses

	Particulars	For the Period from April 01, 2019 to March 31, 2020	For the Period from April 01, 2018 to March 31, 2019
(a)	Rates and Taxes	2,500	2,500
(b)	Rent	31,313	1,09,773
(c)	Training & Conference	-	5,000
(d)	Office Maintenance	-	3,84,276
(e)	Office Newspaper	38,830	69,988
(f)	Communication Expenses	2,46,267	5,60,314
(g)	Advertisement	12,60,797	28,00,268
(h)	Auditors Remuneration & Out of Pocket Expenditure	-	-
	a) For Statutory Audit	4,72,000	4,00,000
	b) For Taxation Matters	3,50,000	2,75,000
	c) Other Services - Internal Audit	6,97,765	2,17,900
(i)	Director Fees	2,47,800	2,10,000
(j)	Maintenance of Place Making & Open Spaces	13,33,629	20,49,911
(k)	A &OE -CGST	-	1,87,93,380
(l)	A &OE -SGST	-	8,54,764
(m)	A &OE -IGST	-	10,960
(o)	Other Expenses		
	1) General Consultants, Legal & Other Professional Costs	3,64,40,393	14,88,34,526
	2) Travelling and Conveyances Expenses	11,88,237	22,14,180
	3) Printing and Stationery	1,49,001	2,67,065
	4) Miscellaneous Expenses (refer table 19.1 below)	83,41,324	71,65,230
(p)	Project expense (Refer table below 19.2)	1,85,98,28,801	47,61,38,180
(q)	FD Premaruty charges	37,79,234	
(r)	Office Rent	19,11,895	
Total Other Expenses		**1,91,63,19,786**	**66,13,63,216**

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19.1 Miscellaneous Expenses		For the Period from April 01, 2019 to March 31, 2020	For the Period from April 01, 2018 to March 31, 2019
1	Administrative Exp	5,98,606	1,44,171
2	Board Meeting Expense	31,948	35,890
3	Business Promotion Exp	-	4,00,860
4	Books & Periodicals	-	26,476
5	Reimbursement Of Expenses	5,947	-
6	Event Expenses	18,93,978	23,52,000
7	Interest on Contracts TDS	64,014	87,353
8	Interest on GST TDS	610	6,212
9	Interest on Prof Fees TDS	25,064	5,500
10	Interest on Salary TDS	4,652	16,591
11	Interest on Wrong Input Tax Credit	-	2,52,270
12	Late Filing Fees GST	-	1,740
13	Manpower Recruitment Expenses	3,87,208	5,92,657
14	Meeting Expenses	2,61,519	3,58,606
15	Office Running Expenses	98,490	3,16,279
16	Postage & Delivery Charges	8,864	27,129
17	Repair & Maintenance Expenses	4,06,852	4,865
18	Round Off	(25)	(113)
19	Secuirty Expenses - Smart Clinic	58,554	2,36,469
20	Security Expenses	41,69,374	19,16,344
21	Staff Welfare Expenses	1,42,857	90,075
22	Supervision Charges -MSEDCL	-	2,41,172
23	TDS Late Filing Charges	678	7,285
24	Water Expenses	30,200	45,400
25	Manthan Office Electricity Expenses	1,25,182	-
26	Interest on TDS	1	-
27	Out of Pocket Expenses (IA)	26,571	-
28	PT Late Payment Charges	180	-
	Total	83,41,324	71,65,230

19.2 Particulars		Expenditure incurred upto 31.03.2019	Expenditure incurred during 31.03.2020	Total Expenditure incurred upto 31.03.2020
1.5 Kms Street Re- Design		18,11,62,109	1,61,11,180	19,72,73,289
Place Making & Open Spaces		1,95,98,646	-	1,95,98,646
Road Assessment Management Systems		1,92,14,070	-	1,92,14,070
Smart Clinic		24,21,020	25,92,110	50,13,130
Smart School		1,90,37,338	-	1,90,37,338
Place Making & Open Spaces Ph 2		79,03,377	6,83,11,485	7,62,14,862
Smart Tourism		2,67,16,265	20,03,587	2,87,19,852
Citizen Engagement		2,27,101	2,48,000	4,75,101
10.2 Kms Street Re- Design		8,74,58,762	65,49,15,920	74,23,74,682
16.5 Kms Street Re- Design		11,23,99,492	89,65,31,099	1,00,89,30,591
Addaptive Traffic Management System		-	5,42,40,829	5,42,40,829
Smart Elements - Opex		-	3,95,49,536	3,95,49,536
Fire Engine		-	3,15,65,090	3,15,65,090
Road Marking		-	67,66,028	67,66,028
Subsidy - Electric Buses		-	7,50,00,000	7,50,00,000
Tree Plantation - AB		-	1,19,93,937	1,19,93,937
TOTAL		47,61,38,180	1,85,98,28,801	2,33,59,66,981

Note : The total amount of Rs.1,85,98,28,801/- is charged to current years profit & loss account as project expenses

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Chartered Accountants

Pune Smart City Development Corporation Limited
Notes forming part of the financial statements

NOTE - 20
Financial Instruments and Risk Review

Pune Smart City Development Corporation Limited is exposed primarily to liquidity risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

i) Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	As at March 31, 2020	As at March 31, 2019
Other Non - Current Liabilities (Debt) - (A)	1,04,58,10,972	1,70,56,52,431
Equity - (B)	2,28,45,28,794	1,90,65,63,442
Debt Ratio (A/B)	**46%**	**89%**

ii) Liquidity Risk

a) Liquidity Risk Management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b) Maturities of Financial Liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	As at March 31, 2020	As at March 31, 2019
	Less than 1 Year	Less than 1 Year
Financial liabilities		
(I) Trade and other payables	5,55,312	5,14,29,283
(ii) Other financial Liabilities	27,99,20,604	14,98,28,945

PRASAS & ASSOCIATES LLP PUNE-411009 Chartered Accountants

Pune Smart City Development Corporation Limited
Notes forming part of the financial statements

NOTE - 21
Disclosure of related party transactions

I. List of Related Parties

Name of Related Party	Nature of Relationship
Pune Idea Factory Foundation	Wholly owned Subsidiary
Mr. Rajendra Jagtap	Key Managerial Personnel
Ms. Geetu Sachdeva	Key Managerial Personnel
Mr. Devendra Agarwal	Key Managerial Personnel
Pune Municipal Corporation	Share Holder

II. Transactions with related parties during the period:

Particulars	As at March 31, 2020	As at March 31, 2019
Professional Fees Paid for		
Pune Idea Factory Foundation	-	27,19,326
Remuneration to Key Managerial Personnel		
1) Short Term Employee Benefits:		
Mr. Rajendra Jagtap, CEO w.e.f. 29.06.2017	11,82,103	18,75,468
Mr. Devendra Agarwal, CFO w.e.f 13.02.2017	6,26,913	18,22,676
Ms Geetu Sachdeva, CS w.e.f. 13.02.2017	17,92,599	23,53,500

III. Outstanding Balances:

Particulars	As at March 31, 2020	As at March 31, 2019
Receivable		
Pune Idea Factory Foundation	5,84,91,312	5,57,71,986
Pune Municipal Corporation	3,16,54,658	3,16,54,658
Payable		
Ms Geetu Sachdeva, CS w.e.f. 13.02.2017	2,97,000	2,97,000

NOTE - 22
Earning per share (EPS)

Particulars	As at March 31, 2020	As at March 31, 2019
Net profit available for equity share holder	(11,20,34,648)	(6,24,60,415)
Weighted average number of equity shares for Basic EPS	19,60,00,000	19,60,00,000
Face value per share	10	10
Basic EPS	-0.57	-0.32
Weighted average number of equity shares for Diluted EPS	19,60,00,000	19,60,00,000
Diluted EPS	-0.57	-0.32

NOTE - 23
Contingent Liabilities and Commitments
During the Financial Year 2018-19, ITC availed by PSCDCL for INR 11.07 Crore has been reversed by PSCDCL. As per provisions of Goods & Service Tax Act, reversal of Input Tax Credit (ITC) attracts Interest @ 24% p.a. Howerver there is lack of clarity on payment of interest in case ITC is not utilized for payment of GST . Since PSCDCL does not have any GST liability on outward supply , it has not paid interest on reversal of ITC and no provision has also been made there off. In case demand is raised by GST authority , PSCDCL may have to pay interest amounting to Rs.2.45 Crores (approx)

Commitments
Certified value of unexecuted work as on 31.03.2020 is not available with the company. Earlier the same was calculated as Total Awarded Costs Less Value certified / payments done till year end. However same cannot be provided this year as in some projects total payments done/ value certified has exceeded total awarded costs due to payment of extra items which were not considered in total awarded costs.

NOTE - 24
Segment Reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment focuses on the types of public welfare projects undertaken by the Company. The Company undertakes various projects for the public welfare as per the Smart City Mission Statement and Guidelines, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable segment. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

NOTE - 25
There are no Micro and Small Scale Business enterprises as defined in the Micro, Small and Medium enterprises Act 2006 to whom the company owes dues on account of principle amount together with Interest.

The above information regarding Micro Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

NOTE - 26

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has voluntarily adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 for the period ended March 31, 2018. Financial statements,for the period April 01, 2019 to March 31, 2020 are the Company's fourth financial statements prepared in accordance with Ind-AS.

NOTE - 27

Previous years figures are restated wherever necessary.

NOTE - 28

The Board have identified certain projects as mentioned in Schedule 19.2 where there is no visibility of future economic benefits. The ownership and control of these projects is not with Pune Smart City Development Corporation Ltd. In view of this, the company has decided to charge such projects amounting to Rs. 185.98 Crores to Profit & Loss. In case on Smart Element Project, it is envisaged that it will have future economic benefit. Hence it is decided to treat as Capital Project.

NOTE - 29

As there is no visibility of revenue generation from expenses incurrend on projects, the Board has decided to charge off GST paid to respectice projects/expenses and not to claim input separately.

NOTE - 30

Consolidated Financial Statement

The Company has invested in Pune Idea Factory Foundation (PIFF) which is a wholly owned subsidiary and also a Sec. 8 Company as per the Companies Act 2013. Whereas Provisions of Sec. 8 of Companies Act, 2013 prohibits a company from distribution of profits to its members, Section 129 of Companies Act, 2013 prescribes for consolidation of Financial Statements of a subsidiary company with that of the holding company in accordance with applicable accounting standards.

During financial year 2019-20, the financial statements of PIFF has not been consolidated with PSCDCL considering the fact that the company does not satisfy the conditions laid down in para 7 of IND AS-110 w.r.t. Consolidated Financial Statements relating to Control and the required condition of parent subsidiary relationship for Consolidation of the Financial Statements is not met. In view of this, Consolidated Financial Statements are not prepared.

During the financial year 2016-17, Consolidated Financial Statements were prepared to comply with the requirement of subsection 3 of Sec 129 of the Companies Act, 2013 which required all the Companies to consolidate the financial statements irrespective of whether the conditions as laid down by the Accounting Standards for consolidation were satisfied or not. This provision was relaxed by Companies Amendment Act, 2017 which requires all the Companies to follow the conditions specified by the Accounting Standards for the purpose of Consolidation.

NOTE - 31

Balance of Debtors & Creditors are subject to verification.

In terms of our report attached.

For P R A S S & Associates LLP
Chartered Accountants
FRN 107816W/W100222

CA J J Ranadive
Partner
M No 032953
Date: 30-12-2020
Place: Pune
UDIN: 20032953AAAABH3187

P R A S S & ASSOCIATES LLP
PUNE-411009
Chartered Accountants

For and on behalf of the Board of Directors of

Pune Smart City Development Corporation Limited

Director
Murlidhar Mohol
DIN 07783444

Director
Deepali Dhumal
DIN 0883598

Dr. Sanjay Kolte
Executive Director & CEO
DIN 02033601

Ulka Kalaskar
Chief Finance Officer
(Interim Charge)

Swanand Shede
Company Secretary