



Chandigarh Smart City Limited

Annual Financial Statements For Financial Year 2022-2023

Regd. Office : Building No. 1, 2nd & 3rd Floor, Adjacent to SCO 17-18-19,
Over New Bridge, Sector 17-A, Chandigarh, Ph. 0172-5043196
E-mail : smartcity.chd@nic.in

CHANDIGARH SMART CITY LIMITED
BALANCE SHEET AS AT 31.03.2023



Particulars	Notes	AS AT 31.03.23 (Rs. In lacs)	AS AT 31.03.2022 (Rs. In lacs)
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	1 (a)	16,597.36	19.00
(b) Capital WIP	1 (c)	22,127.99	30,944.04
(c) Other Intangible Assets	1 (b)	6,818.96	0.21
(d) Other Non Current Assets			
(i) Capital Advance	2	7,268.71	10,154.01
(ii) Others	2a	815.71	495.63
(e) Deferred Tax Assets (net)		2,557.41	-
Total Non Current Assets		56,186.14	41,612.89
Current Assets			
(a) Financial Assets			
(i) Cash & Cash Equivalents	3	19,483.59	13,265.15
(ii) Other Bank Balances	4	861.88	13,356.98
(iii) Other Financial Assets	5	286.17	268.66
(b) Current Tax Assets (Net)	6	74.10	54.68
(c) Other Current Assets	7	174.28	237.96
Total Current Assets		20,880.02	27,183.42
TOTAL ASSETS		77,066.16	68,796.32
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	8	20,000.00	20,000.00
(b) Other Equity	9	249.05	344.42
Total Equity		20,249.05	20,344.42
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	10	722.33	407.28
(b) Deferred Tax Liability (Net)		0.00	0.01
Total Non Current Liabilities		722.33	407.29
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	11	2,272.96	5,072.44
(ii) Other Financial Liabilities	12	2,280.68	1,700.00
(b) Other Current Liabilities	13	51,541.14	41,258.08
(c) Short-Term Provisions	14	-	14.07
Total Current Liabilities		56,094.78	48,044.60
TOTAL EQUITY AND LIABILITIES		77,066.16	68,796.32
Significant Accounting Policies and Notes to Accounts	1 - 21		

As per our report of even date annexed

For A.K. Chadda & Co.
Chartered Accountants
FRN: 008683N

Anil Chadda
FCA, Partner
M No. 087312



For and on behalf of Board of Directors
of Chandigarh Smart City Limited

Anindita Mitra, IAS
Director
DIN: 07858800

Nalini Malik
Chief Finance Officer

Rajeev Verma, IAS
Chairman
DIN: 01089660

Shaveta Sharma
Company Secretary

PLACE : CHANDIGARH

DATE: 29.02.2024

UDIN: 24087312BKATSV3261

CHANDIGARH SMART CITY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023



Particulars	Notes	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
INCOME			
Revenue from Operations	15	12.06	12.01
Other Income	16	352.42	496.97
Deferment of grant in aid (in relation to expenditure on Completed project)		4,453.84	4,303.03
Revenue Grants		982.12	500.00
Total Income		5,800.45	5,312.02
EXPENSES			
Employee Benefits Expense	17	261.53	213.32
Depreciation and Amortization Expense	1	3,017.27	7.51
Other Expenses	18	720.60	609.89
Amortization exp (in relation to expenditure on Completed project)		4,453.84	4,303.03
Total Expenses		8,453.23	5,133.76
Profit/(loss) before exceptional items and tax		(2,652.78)	178.26
Exceptional items		-	-
Profit/(loss) Before Tax		(2,652.78)	178.26
Tax Expense:			
(1) Current Tax		-	50.00
(2) Earlier Year Tax		-	-
(3) Deferred Tax		(2,557.41)	0.36
Profit (Loss) after Tax for the period		(95.37)	128.62
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
i) Re-measurement gains (losses) on defined benefit plans		-	-
Income tax effect on the above		-	-
(ii) Net Gain/(loss) on FVOCI equity instruments		-	-
Income tax effect on the above		-	-
Total Other Comprehensive Income/(Loss)		-	-
Total Comprehensive Income for the year (Comprising Profit/(Loss) and Other Comprehensive Income for the year)		(95.37)	128.62
Earnings per Equity Share:			
Basic and Diluted		(0.00)	0.06
Significant Accounting Policies and Notes to Accounts	1-21		

As per our report of even date annexed

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Chartered Accountants
FRN: 008683N

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FCA, Partner
M No. 087312



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Shaveta Sharma
Company Secretary

PLACE : CHANDIGARH
DATE: 29.02.2024

UDIN: 24087312BKATSV3261

CHANDIGARH SMART CITY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

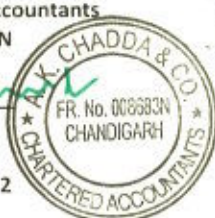


Particulars	2022-2023 (Rs. In lacs)	2021-2022 (Rs. In lacs)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	(95.37)	178.26
Add Def Tax	(2,557.41)	-
Adjustment For:-		
Depreciation and Amortization Expenses	3,017.27	7.51
Operating Profit Before Working Capital Changes	364.49	185.77
Changes in Working Capital		
Decrease/(Increase) in Trade receivable & Other Assets	2,591.95	1,006.12
(Decrease)/Increase in Trade Payable & other Liabilities	(2,232.89)	3,511.01
Cash Generated From Operations	723.56	4,702.91
Net Cash Generated From Operating Activities (A)	723.56	4,702.91
Cash Flow From Investing Activities		
Purchase of Fixed assets	(26,414.38)	(4.71)
(Decrease)/Increase of Investments and Fixed Deposits	12,495.10	4,183.03
(Decrease)/Increase in Grant in Aid due to Interest earned over	640.68	1,481.97
Net Cash Flow From Investing Activities (B)	(13,278.59)	5,660.29
Cash Flow From Financing Activities		
Increase in Share Capital	-	-
(Decrease)/Increase in Other Current Financial Liabilities	18,458.43	(13,955.27)
(Decrease)/Increase in Non Current Financial Liabilities	315.03	147.67
Net Cash Flow From Financing Activities (C)	18,773.46	(13,807.60)
Net Increase in Cash and Cash Equivalents (A+B+C)	6,218.43	(3,444.40)
Cash and Cash Equivalents at beginning of year	13,265.15	16,709.57
Cash and Cash Equivalents at the end of year	19,483.58	13,265.16
Components of cash and cash equivalents:		
Cash on Hand	-	-
Cheques/ draft on hand	-	-
Balance with Banks		
- On Savings Accounts	19,423.66	13,241.52
- On Current Accounts	59.93	23.63
Total Cash and Cash Equivalents (Note 3)	19,483.59	13,265.15

As per our report of even date annexed

For A.K. Chadda & Co.
Chartered Accountants
FRN: 008683N

Anil Chadda
FCA, Partner
M No. 087312



PLACE : CHANDIGARH
DATE: 29.02.2024

UDIN: 24087312.BKATSV3261

For and on behalf of Board of Directors
of Chandigarh Smart City Limited

Anindita Mitra, IAS
Director
DIN: 07858800

Nalini Malik
Chief Finance Officer

Rajeev Verma, IAS
Chairman
DIN: 01089660

Shaveta Sharma
Company Secretary

Statement of Changes in Equity for the Year ended 31 March 2023



PARTICULARS	2022-23 (₹ IN LACS)		
A. EQUITY SHARE CAPITAL			
As at 1st April, 2022	20000		
Issue of Equity Share Capital	0		
As at 31st March, 2023	20000		
B. OTHER EQUITY			
	Reserves & Surplus		
PARTICULARS	CAPITAL RESERVE	RETAINED EARNINGS	TOTAL
Balance as at 1st April, 2021 (a)	-	215.80	215.80
Profit for the year	-	128.62	128.62
Remeasurement gain/(loss) on Defined benefit plan	-	-	-
Other Comprehensive Income/(Loss)	-	-	-
Total Comprehensive Income for the year (b)	-	128.62	128.62
Balance as at 31 March, 2022 (c) = (a+b)	-	344.42	344.42
Profit for the year	-	(95.37)	(95.37)
Remeasurement gain/(loss) on Defined benefit plan	-	-	-
Other Comprehensive Income/(Loss)	-	-	-
Total Comprehensive Income for the year (d)	-	(95.37)	(95.37)
Balance as at 31 March, 2023 (e) = (c+d)	-	249.05	249.05





Note 1. Corporate Information

Chandigarh Smart City Ltd is a public company incorporated under the provisions of the Companies Act, 2013 on 26th July'16. The company is a Special Purpose Vehicle (SPV) incorporated to fulfill "The Smart Cities Mission" of Government of India. 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.

Note 2. Summary of Significant Accounting Policies

A Basis of Preparation of Financial Statements

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements up to year ended 31st March, 2021 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

The financial statements for the year ended 31st March, 2022 were the first financial statements of the Company prepared under Ind AS. The Financial Statement for the year ended 31st March, 2023 are also prepared under Ind AS.

B Use of Estimates

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

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

C 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 other than the statutory obligations whatever applicable as on the date of completion of employment.

D 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.

E 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.

F Property, Plant and Equipment

Property, plant and equipments are divided into Project Assets and Administration & Office Assets in the first year of IND-AS adoption to reflect the true nature of financial transaction and as a matter of substance, for reporting purpose. The assets created out of Government Grant Fund for Project Expenses are treated as Project Assets, the company has created these assets to comply with the obligations of the grant and the company has full control over these assets. The depreciation charged on such assets are reversed, as, there is no intention of the company to earn present or future economic benefits from the asset. The assets are created to meet the objectives of the company i.e., development of the city. Office Assets are created out of the Government Grant Fund for A&OE Expenses.

Amount spent on various project assets is recognised as follows:

- Projects for which physical progress as well as financial progress are completed, are handed over to respective local bodies. The same is written off in statement of profit & loss along with allocated grant fund as no future economic benefits associated with the item will flow to the entity.
- Projects for which physical progress as well as financial progress are incomplete, are recognised as Capital work in progress.
- Project yet to be handed over to local bodies are recognised in project assets/CWIP. 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 Company and the cost of the item can be measured reliably.

All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss if any. Property, Plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital Work in Progress'.

Property, plant and equipment is stated at acquisition cost including import duties, non-refundable taxes, directly attributable expenditure on making the asset ready for its intended use, net of recoverable taxes, trade discounts and rebates less of accumulated depreciation and accumulated impairment losses, if any.

Intangible Assets of infinite use under operation & management by CSCL are written back to the Grant in Aid and capitalised in Schedule of Fixed Assets without depreciation- as per IND-AS 38 for F.Y. 2021-22. The change in accounting treatment of this component do not have any impact on previous year's profitability of the company.



CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023



The intangible assets which are of indefinite useful life are capitalised and no depreciation on the same is provided as per IND-AS-38. Depreciation is charged over the estimated useful life of a fixed asset on a straight-line basis. The rates of depreciation for fixed assets, which are not lower than the rates prescribed in Part C of Schedule II of the Companies Act, 2013, are given below:

Asset	Estimated Life
Furniture & Fixtures	10
Office Equipment	10
Computer	10
Electrical Equipment	10
Building and Infrastructure	60
Electrical Equipments (CCC)	10
Electrical Equipments (Cameras)	10
Electrical Equipments (Video Wall Solution)	10
End User Devices	3
Network and Servers	6
Office Equipment	5
Plant and Machinery (Ducts Cables And Other Equipment)	18
Plant and Machinery (Poles)	40
Softwares	5
Underground Utility Mapping - SUP	N/A
System Integrator for Imp. of E-Gov	N/A
Licenses	5
Softwares	5
System Integrator for Cloud	5
System Integrator for others	10

Following Projects are handed over to respective departments under the mission objectives:

Sr. No.	Project Name	Amount Rs. Lacs	Handover to
1	Vehicles (Garbage Tipper)	16.03	MCC-MOH
2	Procurement of Garbage Hopper Tippers for Door to Door collection	2,897.43	MCC Transport Branch
3	Project Smart School	480.27	MCC-MOH
4	Project MRF Civil	1629.87	MCC-MOH
5	Project-SCADA SWM Vehicle Tracking	248.30	MCC-MOH
6	Project Smart School Furniture	241.21	MCC-PH Div
7	Project-System Integrator Design & Dev-SCADA	306.71	MCC-PH Div
8	Public Toilets ADD Area (Package-1)	131.74	MCC-PH Div
9	Public Toilets ADD Area (Package-2)	254.59	UT Admin-CE
10	Public Toilets ADD Area (Package-3)	108.07	UT Admin-Respective Schools
11	Vehicles (Garbage Tipper)	16.03	MCC Transport branch
12	Public Toilets ADD Area (Package-1)	1.19	MCC-MOH
13	Legacy Waste Mining at Daddu Majra Dump Site	2792.01	MCC-MOH
14	Project - Sanitary Land Fill Site	1372.16	MCC-MOH
15	Project - Const for Approach Road	104.69	MCC-PH Div
16	Adat Work Develop- Basic Infra Smart School	62.51	UT Admin-CE
	Advertisement & Publicity for Projects	105.24	W/o against Project- GIA towards above projects
	Grand Total	6314.72	

Note: Sr. No. 1 & 2 were Handover in 2020-21 2,913.46
Sr. No. 3 to 10 were Handover in 2021-22 1401.26
Sr. No. 11-16 are Handover/Written off in 2022-23 4453.84

G Government Grants

Government grants are measured at amount receivable from the government and are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

The Government Grants Received are divided into "Government Grant Fund For Project Assets" and "Government Grant Fund for A&OE". The distribution of funds under the scheme is made based on 95% project funds, 5% A&OE Fund for state and ULB and 2% A&OE fund for MoUD, this is laid in the Smart City Mission Guidelines. The Balance of "Government Grant Fund For Project Assets" is used for constructing "Project Assets".

With the implementation of Ind AS and on the basis of the facts that the grant is received to generate the project assets and the assets are not utilised to generate the revenue and on the other hand the company can't adjust the Depreciation with the Grant, so no depreciation is charged on Project Assets and the depreciation previously charged on such assets are reversed and effect of the same is taken under Note- 21.

The "Government Grant Fund for A&OE" is used to meet the administrative and office expenses. The Grants for such expenses are recognised in the profit or loss on a systematic basis over the periods in which the company recognizes as expenses the related costs for which grants are intended to compensate.

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.

H Share Issue Expenses

Share Issue Expenses were to be written off over a period of Five years, however as per the compliance of CAG expenses for balance period were written off in financial year 2021-22.

I Provision for Current and Deferred Tax Liabilities and Assets

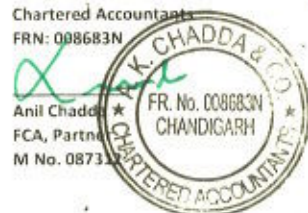
Provision for current tax is made after taking into consideration benefits admissible under the provisions of income Tax Act, 1961. Deferred Tax resulting from the "Timing Difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

J Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to Financial Statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

As per our report of even date annexed

For A.K. Chadda & Co.
Chartered Accountants
FRN: 008683N



Anil Chadda
FCA, Partner
M No. 0873123

PLACE: CHANDIGARH
DATE: 29.02.2024

UDIN: 240873123KATSV3261

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Chief Finance Officer

For and on behalf of Board of Directors
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Rajeev Verma, IAS
Chairman
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CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note 1 Fixed Assets

Property, Plant & Equipment	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1st April,2022	Additions/ (Disposals)/ Adjustments	Balance as at 31st March,2023	Balance as at 1st April,2022	Depreciation charged/ Asset written off for the year	(Adj./offset)	Net Depreciation charged/ Asset written off for the year	Balance as at 31st March,2023	Balance as at 1st April,2022
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
a) Tangible Assets									
Plant and Machinery	1.60	0.62	4.30	0.57	0.11		0.33	0.89	3.41
Office Equipment	2.33	0.15	2.49	0.99	0.42		0.52	3.51	0.68
Computer	20.59	3.44	24.03	11.26	6.09		5.17	13.25	7.42
Electrical Equipment	8.52	2.25	10.77	1.20	1.10		1.10	2.31	7.32
Project ICCCL									
Building and Infrastructure		6,532.49	6,532.49		65.75		65.75	65.75	6,466.74
Electrical Equipment (CCCL)		3,276.56	3,276.56		40.23		40.23	40.23	3,236.33
Electrical Equipment (Larawal)		6,276.06	6,276.06		31.98		31.98	31.98	6,244.08
Electrical Equipment (Water)		462.96	462.96		0.74		0.74	0.74	462.22
Water and Sewer		218.61	218.61		674.86		674.86	674.86	5,567.41
Network and Servers		4,262.27	4,262.27		107.04		107.04	107.04	4,155.23
Office Equipment		552.84	552.84		104.55		104.55	104.55	448.29
Water and Machinery (Bharat Lanes and 10th Engineering)		1,980.91	1,980.91		21.29		21.29	21.29	1,959.62
Plant and Machinery (Bharat Lanes and 10th Engineering)		1,018.50	1,018.50		21.29		21.29	21.29	997.21
Total	34.93	18,199.62	18,234.55	15.92	1,621.26		1,621.26	1,637.13	16,597.36
b) Intangible Assets									
Software	0.54	0.89	1.43	0.33	0.11		0.11	0.44	0.21
Underground Utility Mapping SUT		679.14	679.14						679.14
System Integration for Mapping of SUT		6,528.83	6,528.83						6,528.83
Project ICCCL									
Software		46.12	46.12		9.26		9.26	9.26	36.86
System Integration for SUT		6,755.45	6,755.45		1,151.09		1,151.09	1,151.09	5,604.36
System Integration for SUT		42.79	42.79		8.56		8.56	8.56	34.23
System Integration for SUT		202.84	202.84		26.98		26.98	26.98	175.86
Total	0.54	8,234.75	8,235.29	0.13	1,396.01		1,396.01	1,396.14	6,838.90
Total (a+b)	35.47	26,434.38	26,469.84	16.05	3,017.27		3,017.27	3,033.27	19,212.57
Previous Year (Refer Note No. 22)	30.76	4.71	35.47	8.74	7.51		7.51	16.25	22.02

Note: Addition to Intangible Assets comprises of Rs. 512.49 lakhs of opening value of SUT, Project and Rs. 48.46 lakhs of addition during the year, also Underground Utility Mapping SUT, comprised of Rs. 129.58 of opening value and Rs. 80.27 lakhs addition during the year.





CHANGGARH SMART CITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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Additional volumetric data consists of 45, 507, 134, and 133 labels of opening volume and 95, 90, 23, and 23 labels of opening volume during the year.



CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023



Note 2 Other Non Current Assets

Other Non Current Assets	As at 31st March, 2023	As at 31st March, 2022
	(Rs. In Lacs)	(Rs. In Lacs)
Capital Advance		
Advance to BEL	-	2,557.37
Advance to MC (Project Water Supply 24X7)	6,077.00	6,076.98
Advance to M.C(Project_Augmen.Raw Water)	1,100.00	1,100.00
Mobilisation Advance - G S J ENVO LIMITED(STP)	18.20	252.05
Mobilisation Advance - Scada Building BEL	73.51	-
Mobilisation Advance-Passavant Energy(STP)	-	167.61
Total Capital Advance	7,268.71	10,154.01

Note 2a Income Tax & Securities Recoverable

CGST	434.51	304.60
IGST	66.16	17.22
UGST	297.42	160.81
CGST Input Tax RCM @9%	3.30	-
Security Deposit- Electricity	12.97	12.97
Security Deposit- BSNL	1.35	0.03
Total Income Tax & Securities Recoverable	815.71	495.63
Total	8,084.42	10,649.63

Note 3 Cash & Cash Equivalents

Cash and Cash Equivalents	As at 31st March, 2023	As at 31st March, 2022
	(Rs. In Lacs)	(Rs. In Lacs)
(a) Cash on hand	-	-
(b) Cheques/ drafts on hand	-	-
(c) Balances with banks		
(i) In Savings accounts		
Axis Bank	0.05	0.05
HDFC Bank	21.55	2.39
IDBI Bank SB	10.52	10.21
Indusind Bank	16.32	16.60
Oriental Bank of Commerce (PNB)	0.04	0.04
SBI-1352	8,060.47	484.78
Punjab & Sind Bank	8,968.36	10,087.32
Yes Bank Ltd.	109.24	2,616.64
Punjab National Bank	5.52	23.50
IDFC First Bank	2,231.59	-
Total c (i)	19,423.66	13,241.52
(ii) In current accounts		
IDBI Bank CA	59.93	23.63
Total c (ii)	59.93	23.63
Total	19,483.59	13,265.15

Note 4 Other Bank Balances

Other Bank Balances	As at 31st March, 2023	As at 31st March, 2022
	(Rs. In Lacs)	(Rs. In Lacs)
Term deposit with maturity more than 3 months		
Union Bank of India	-	0.00
Indusind Bank	5.72	5.72
Bank Of India	-	-
Punjab National Bank (Auto Sweep)	37.20	213.00
SBI-MOD	818.96	13,138.26
Total	861.88	13,356.98



CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023



Note 5 Other Financial Assets

Other Financial Assets	As at 31st March, 2023	As at 31st March, 2022
	(Rs. In Lacs)	(Rs. In Lacs)
Staff Recoverable	1.65	0.59
Other Receivable	0.45	2.94
Interest Accrued on Advance to MC	257.20	265.12
Interest Accrued on SBI-MOD	26.86	-
Total	286.17	268.66

Note 6 Current Tax Assets (Net)

Current Tax Assets (Net)	As at 31st March, 2023	As at 31st March, 2022
	(Rs. In Lacs)	(Rs. In Lacs)
IT Recoverable (AY 2023-24)	19.43	-
IT Recoverable (AY 2018-19)	17.20	17.20
IT Recoverable (AY 2022-23)	87.48	87.48
Less Provision for Income Tax	-50.00	-50.00
Total	74.10	54.68

Note 7 Other Current Assets

Other Current Assets	As at 31st March, 2023	As at 31st March, 2022
	(Rs. In Lacs)	(Rs. In Lacs)
IT Paid Under Protest (A.Y. 2018-19)	135.70	135.70
Sundry Debtors	2.07	-
GST Recoverable	33.17	5.37
Recoverable from Creditors & Staff	0.34	-
Pre- Paid Expense	3.00	7.01
IT Recoverable (AY 2021-22)	-	89.88
Total	174.28	237.96



CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023



Note 8 Equity Share Capital

(All Figures in Lacs Only)

Share Capital	As at 31st March, 2023		As at 31st March, 2022	
	Number	(Rs.in Lacs)	Number	(Rs.in Lacs)
Authorised Equity Shares of Rs.10 each	200,000,000.00	20,000.00	200,000,000.00	20,000.00
Issued Subscribed & Fully Paid up Equity Shares of Rs.10 each fully paid	200,000,000.00	20,000.00	200,000,000.00	20,000.00
Total	200,000,000.00	20,000.00	200,000,000.00	20,000.00

8(a) Reconciliation of number of shares outstanding at the beginning and at the end of the year

(All Figures in Lacs Only)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	(Rs.in Lacs)	Number	(Rs.in Lacs)
Shares outstanding at the beginning of the year	200,000,000.00	20,000.00	200,000,000.00	20,000.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	200,000,000.00	20,000.00	200,000,000.00	20,000.00

8 (b) Details of Shareholding

Holding Company: NIL

8 (c) Shareholding more than 5 %

Name of Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Home Secretary, Chandigarh Administration, Chandigarh	99,999,997	50.00	99,999,997	50.00
Commissioner, Municipal Commissioner, Chandigarh	99,999,998	50.00	99,999,998	50.00

8 (d) Detail of Promoters Shareholding:

Name of Promoter	Shares held by Promoters				% change during the year
	As at 31st March, 2023		As at 31st March, 2022		
	No. of Shares	% of holding	No. of Shares	% of holding	
Home Secretary, Chandigarh Sh. Nitin Kumar Yadav, IAS	99,999,997.00	50.00	99,999,997.00	50.00	-
Finance Secretary, Chandigarh Sh. Vijay Namdeo Rao Zade, IAS	1.00	0.00	1.00	0.00	-
Secretary (Personnel), U.T Chandigarh Ms. Nitika Pawar, IAS (PY - Sh. S.S. Gill, IAS)	1.00	0.00	1.00	0.00	-
Chief Engineer, U.T Chandigarh Sh. Chandra Bhushan Qjha	1.00	0.00	1.00	0.00	-
Commissioner, Municipal Corporation, Chandigarh Ms. Anindita Mitra, IAS	99,999,998.00	50.00	99,999,998.00	50.00	-
Joint Commissioner, Municipal Corporation, Chandigarh Sh. Guninder Singh Sodhi	1.00	0.00	1.00	0.00	-
Chief Engineer, Municipal Corporation, Chandigarh Sh. N.P.Sharma	1.00	0.00	1.00	0.00	-
Total	200,000,000.00	100.00	200,000,000.00	100.00	-

Note: The shares of the Company are held by members in their Ex-officio capacities. The shares are transferred from one office bearer to the successors in the office.

8 (e) Terms and Rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.



CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023



Note 9 Other Equity

Reserves & Surplus	As at 31st March, 2023	As at 31st March, 2022
	(Rs.in Lacs)	(Rs.in Lacs)
Surplus		
Opening Balance	344.42	215.80
(+) Net Profit/(Net Loss) For the Current Year	(95.37)	128.62
Closing Balance	249.05	344.42
Total	249.05	344.42

Note 10 Other Financial Liabilities (Non-Current)

Other Financial Liabilities	As at 31st March, 2023	As at 31st March, 2022
	(Rs.in Lacs)	(Rs.in Lacs)
(i) Security Deductions and Hold Payable	410.99	377.88
(ii) Earnest Money Deposit (EMD)	29.41	29.41
(iii) O & M Grant in Aid received from UT-DGP for Police Cameras	281.93	-
Total	722.33	407.28

Note 11 Other Payables

Trade Payable	As at 31st March, 2023	As at 31st March, 2022
	(Rs.in Lacs)	(Rs.in Lacs)
MSME	165.77	1,756.59
Others	2,107.19	3,315.86
Total	2,272.96	5,072.44

Other Trade Payables Ageing Schedule as at 31st March, 2023

(Rs.in Lacs)

Particulars	Not Due	Outstanding for the following periods from the due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	165.77	-	-	-	165.77
(ii) Others	-	2,107.19	-	-	-	2,107.19
(iii) Disputed Dues- MSME	-	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-	-
Total	-	2,272.96	-	-	-	2,272.96

Trade Payables Ageing Schedule as at 31st March, 2022

(Rs.in Lacs)

Particulars	Not Due	Outstanding for the following periods from the due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	1,756.59	-	-	-	1,756.59
(ii) Others	-	3,119.54	-	-	-	3,119.54
(iii) Disputed Dues- MSME	-	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-	-
Total	-	4,876.13	-	-	-	4,876.13

*Based on the information presently available with the management, Disclosures as required under Section 22 of the MSMED Act, 2006 are given below :-

Particulars	Current Year	Previous Year
The Principal amount and the interest due thereon unpaid to any supplier		
- Principal Amount	165.77	1,756.59
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-



CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023



Note 12 Other Financial Liabilities

Other Financial Liabilities	As at 31st March, 2023	As at 31st March, 2022
	(Rs.in Lacs)	(Rs.in Lacs)
(i) Security Deductions and Hold Payable (Hold for less than 1 Year)	2,055.79	1,254.04
(ii) Deposit Work	130.66	13.06
(iii) Payment Gateway Transaction Payable to MC, Chd	59.93	23.63
(iv) Deposit for work of (UT DGP Chandigarh)	-	400.00
(v) Statutory dues Payable to MC, Chd	18.61	-
(vi) Others		
(a) Expenses Payable	4.80	2.09
(b) Audit Fees Payable	0.38	0.38
(c) Salary Payable	10.50	6.81
Total	2,280.68	1,700.00

Note 13 Other Current Liabilities

Other Current Liabilities	As at 31st March, 2023	As at 31st March, 2022
	(Rs.in Lacs)	(Rs.in Lacs)
a) Government Grants		
i) Capital Grants		
Opening Balance	41,007.17	34,528.24
Received during the year		
- From Chd Admin - Smart City Project (SCP)	4,750.00	9,300.00
- From ministry of urban dev. (MOUD) - Smart City Project (SCP)	16,919.00	-
- From Chd MC - Swachh Bharat Mission (SBM)	-	-
Interest Earned on Capital Grant	640.68	1,481.97
Add- CWIP completed in 2021-22 under O&M by CSCL & Excess Provisioning of CWIP completed project	929.63	
Net Received	64,246.48	45,310.21
Less Capital Grant Utilization	-	-
Shares Allotted from Capital Grant	-	-
Refunded during the year		
Value of Projects completed as per SCP and implemented for use of final beneficiaries	4,453.84	4,303.03
Interest Earned on Capital Grant paid to Issuing Authority	9,341.51	-
Total Utilization transferred to Capital Reserve	13,795.35	4,303.03
Net Capital Grant	50,451.14	41,007.17
i) Revenue Grants		
Opening Balance	-	-
Received during the year for SCM	1,250.00	500.00
Received during the year for ICC	618.00	-
Net Received	1,868.00	500.00
Less Revenue Grant Utilization		
Utilized for A&OE	982.12	500.00
Net Revenue Grant	885.88	-
Total Grants Payable	51,337.01	41,007.17
b) Statutory Dues Payable		
(i) TDS on GST	54.44	64.48
(ii) TDS Payable	71.17	98.27
(iii) Water Tariff Cess Payable	46.95	50.32
(iv) Labour Cess	30.91	37.61
(v) GST under RCM	0.66	0.23
	204.13	250.91
Total	51,541.14	41,258.08

Note 14 Short Term Provisions

Short Term Provisions	As at 31st March, 2023	As at 31st March, 2022
	(Rs.in Lacs)	(Rs.in Lacs)
Provision for Employee Benefits		
Leave Salary and Pension Cont. payable	-	14.07
Total	-	14.07



CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023



Note 15 Revenue from Operations

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	(Rs. In Lacs)	(Rs. In Lacs)
Misc Receipt	0.06	0.01
Annual Concession Fees(ACF)	12.00	12.00
Total	12.06	12.01

Note 16 Other Income

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	(Rs. In Lacs)	(Rs. In Lacs)
a) Non Interest Income		
Penalty Income	18.44	108.29
Cycle 4 Change Challenge Prize	-	100.00
ISAC 2020- Award	10.00	-
Tender Fees	0.12	1.18
Misc. Receipts	0.01	0.15
Other Receipt	0.55	4.00
Eat Smart Cities Challenge	50.00	-
	79.12	213.62
b) Interest Income		
i - Fixed Deposit - Indusind bank	-	0.40
ii - Fixed Deposit	171.42	1,004.44
iii - PNB non-grant A/c	9.72	4.19
iv - Saving Bank Account	192.23	294.76
v - Interest on advance to MC, Chandigarh	257.20	265.12
vi - Interest on mobilization advances	24.15	182.76
vii - Interest on Refund of income Tax	6.38	13.63
viii - Interest on P&SB Deff O&M A/c	252.88	-
	913.98	1,765.32
- Less: Interest on Capital Grant(ii+iv+vi) Transferred to Capital Grants	640.68	1,481.97
	273.30	283.35
Total	352.42	496.97

Note 17 Employee Related Expenses

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	(Rs. In Lacs)	(Rs. In Lacs)
Salary and Wages	116.11	110.25
Salary (Outsourced Staff)	144.88	102.20
Staff Welfare Exp	0.54	0.87
Total	261.53	213.32



CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023



Note 18 Other Expenses

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	(Rs. In Lacs)	(Rs. In Lacs)
(I) (Expenses related to Revenue Grants)		
a) Project Consultant Related Expenses		
EGIS Consultants_ Reimbursement of Expenses	8.88	-
EGIS Consultants_ Consultancy Charges Paid	396.94	396.04
Total (a)	405.82	396.04
b) Project_Golf Cart		
Manpower Expenses_MTS	34.07	21.89
Total (b)	34.07	21.89
c) Project Tender Publishing Cost		
Print Media Expenses	1.31	6.91
Total (c)	1.31	6.91
d) ICCC & E-Governance Project Expenses		
Salary (Outsourced Staff)-ICCC	77.03	-
Other Administrative Expenses	58.34	-
Total (d)	135.38	-
e) Administrative Expenses		
Advertisement Expenses & Publicity Expenses	24.65	2.49
Annual Maintenance Charges_AMC	2.87	5.31
Auditor's Remuneration		
Audit Fees	0.42	0.42
Bank Charges	0.00	-
Books & Periodicals	0.02	0.01
Communication Charges	2.72	2.86
Director Sitting Fee	0.21	0.27
EDP Software/Hardware Expenses	3.59	16.68
Electricity Charges	7.52	8.69
Event Expenses	18.96	6.56
Inaugural Expenses	0.30	25.56
Hospitality Expenses	0.52	0.11
House Keeping Charges	2.86	3.49
Insurance Expenses	2.25	2.38
Interest/ Late Filing Fee	0.60	0.01
Legal & Professional Charges	9.00	9.71
Meeting & Conference Exps	5.96	5.50
Office Expenses	4.86	1.55
Postal Charges	0.09	0.05
Preliminary Expenses W/off	-	60.38
Printing & Stationary	8.83	8.00
Registration Fees	-	-
Repair & Maintenance- Others	13.14	7.63
Repair & Maintenance- Genset	2.72	0.30
Rose Club Renovation Exps	-	-
Telephone & DTH Expenses	0.68	0.54
Tour & Travelling	26.21	9.73
Public Bike Sharing Project Expenses	1.43	1.71
Training & Seminar Expense	-	-
Property Tax	0.35	1.13
Vehicle Running & Maintenance	2.81	3.92
Water Charges	0.47	0.06
Total (e)	144.02	185.06
Total (I) = [a+b+c+d+e]	720.60	609.89



CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023



Note 19

a. Capital Grant

AS 12 recognises that some government grants have the characteristics similar to those of promoters' contribution. It requires that such grants should be credited directly to capital reserve and treated as a part of shareholders' funds. Ind AS 20 does not recognise government grants of the nature of promoters' contribution. Ind AS 20 is based on the principle that all government grants would normally have certain obligations attached to them and it, accordingly, requires all grants to be recognised as income over the periods which bear the cost of meeting the obligation or it also provide alternative approach of treating such grant from the cost of the asset.

b. Other Comprehensive Income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include investment, loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has invested in fixed deposits which will fetch a fixed rate of interest, hence, the income and operating cash flows are substantially independent of changes in market interest rates.

b) Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has very limited foreign currency exposure which are mainly due to imports of raw material and property, plant and equipment. The Company manages material currency exposures through use of forward exchange contracts which leave the Company with no material residual risk.

c) Price Risk

The Company has not invested in any financial instruments which are subject to price risk.

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including loans to related parties, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets:

(i) Low credit risk on reporting date

(ii) Moderate credit risk

(iii) High credit risk

Financial assets that expose the entity to credit risk:

(₹ in lacs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Low Credit Risk on Reporting Date		
Cash and Cash Equivalents	19483.59	13265.15
Other Bank Balances	861.88	13356.98
Other Financial Assets (Current)	286.17	268.66
Total	20631.64	26890.79

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Trade receivables are non-interest bearing and outstanding customer receivables and these are regularly monitored. Total trade receivables as on 31st Mar, 2023 2.07 Lacs and on 31st Mar, 2022 are Rs. Lacs 0.78 Lacs respectively.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes Other advances, Interest accrued on advances and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

(C) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the available and sanctioned Grant-in-Aid.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in lacs)

Particulars	0-1 Years	1-2 Years	2 to 5 Years	More than 5 years	Total undiscounted contractual cash flows	Carrying amount of liabilities
Year ended 31st March, 2023						
Contractual maturities of trade payables					0.00	0.00
Contractual maturities of security deposit received (Noncurrent)					0.00	0.00
Contractual maturities of other financial liabilities					0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00
Year ended 31st March, 2022						
Contractual maturities of trade payables					0.00	0.00
Contractual maturities of security deposit received (Noncurrent)					0.00	0.00
Contractual maturities of other financial liabilities					0.00	0.00
Total	0	0.00	0.00	0.00	0.00	0.00
Year ended 1st April, 2021						
Contractual maturities of trade payables					0.00	0.00
Contractual maturities of security deposit received (Noncurrent)					0.00	0.00
Contractual maturities of other financial liabilities					0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00



CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023



Note 20

Capital Management

Equity includes all capital and reserves of the Company that are managed as capital. The primary objective of the Company's Capital Management is to maximize the shareholder value by maintaining an efficient capital structure and safeguard Company's ability to continue as a going concern. The Company maintains the optimal capital structure so as to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Fair value measurement

(a) Financial instruments by category and hierarchy

For amortised cost instruments, carrying value represents the best estimate of fair value.

(₹ in lacs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	FVPTL	FVOCI	Amortised Cost	FVPTL	FVOCI	Amortised Cost
Financial Assets						
Cash and cash equivalents	-	-	19483.59	-	-	13265.15
Other Bank Balance	-	-	861.88	-	-	13356.98
Other financial assets (Current)	-	-	286.17	-	-	268.66
Total	-	-	20631.64	-	-	26890.79
Financial Liabilities						
Other Financial Liabilities (Non Current)	-	-	410.99	-	-	377.88
Trade payables	-	-	2272.96	-	-	5072.44
Other Financial Liabilities (Current)	-	-	2280.68	-	-	1729.41
Total	-	-	4964.63	-	-	7179.73

(b) Fair value hierarchy

The Company has classified its financial instruments into the three levels prescribed under the Indian accounting standards. (Ind AS 107) An explanation of each level follows under the table.

Financial assets and liabilities measured at amortised cost for which fair values are disclosed

(₹ in lacs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Cash and cash equivalents	-	-	19483.59	-	-	13265.15
Other Bank Balance	-	-	861.88	-	-	13356.98
Other financial assets (Current)	-	-	286.17	-	-	268.66
Total	-	-	20631.64	-	-	26890.79
Financial Liabilities						
Other Financial Liabilities (Non Current)	-	-	410.99	-	-	377.88
Trade payables	-	-	2272.96	-	-	5072.44
Other Financial Liabilities (Current)	-	-	2280.68	-	-	1729.41
Total	-	-	4964.63	-	-	7179.73

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : The fair value of financial instruments that are not traded in an active market 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 and indemnification asset included in level 3.

(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in lacs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities				
Other Financial Liabilities (Security Deposits)- Non Current	410.99	410.99	377.88	377.88
Total	410.99	410.99	377.88	377.88

The carrying amounts of trade receivables, other financial assets & liabilities, trade payables, other bank balances and cash and cash equivalents are considered to be the same as their fair values, due to short term nature. The fair value of security deposits was calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.



CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023



Note 21 Additional information as required under Schedule III is as under:

- (i) Previous year figures of financial statements including cash flow have been regrouped wherever necessary to make it more comparable with current year.
- (ii) Income Tax provision as applicable under Income Tax Act, 1961 has been made.
- (iii) Debit and credit balances have been majorly confirmed from respective parties.
- (iv) Deferred Tax adjustment has been made as per IND-AS 12.
- (v) In the opinion of the Board of Directors, the Current Assets, Loans and Advances and Current Liabilities are having the value at which they are stated in the Balance Sheet if realized in the ordinary course of business and are subject to confirmation.
- (vi) There is no Micro, Small and Medium Enterprises Act, 2006 to whom the Company owes a sum exceeding Rs. 1.00 Lacs for more than 30 days as on the Balance Sheet date to extent such enterprises have been identified based on the information available with the Company.
- (vii) The company has undertaken various projects under Smart City Mission. The expenditure incurred on these projects have been considered as utilisation of Capital Grant. Further, Revenue grant received has been utilized for meeting Administrative and Establishment Expenses.
- (viii) As per competent authority approval dated 05.08.2020, 5% of the grant received is to be allocated towards A&OE Funds and necessary adjustment made in accounts for the year 2020-21. Interest earned thereon has been treated as income by crediting to Profit & Loss Account.
- (ix) As per the conditions attached to sanction of grant vide letter no. CMC-901 dated 22.05.2017, CMC-3734 dated 30.05.2019 and F&PO(SI)/2021/2724 dated 08.03.2021 from Chandigarh Administration, point no. 8 states that any portion of grant that remain unutilised during the relevant Financial Year shall be surrendered to the Administration. However, the grant to the extent of Rs. 88.12 crores (Rs. 255.96 crores) is unutilised as on 31.03.2023 and will be used in subsequent years as the projects are in progress.

(x) Particulars of related parties covered under IND-AS 24 issued by ICAI:

Transaction	AS AT 31.03.2023 (Rs. In lacs)	AS AT 31.03.2022 (Rs. In lacs)
Related to Directors:-		
Nil		
Related to Relatives, Firms and Companies in which Directors or their relatives are interested:-		
Transaction with Municipal Corporation		
17.02.22 For Movable siding partition at MRF		2.34
12.01.22 Amount for SMS services to C-DAC reimbursement		1.21
09.03.2023 Horticulture & road cut services in E-Gov solution	2.98	
04.06.2020 Advance given to MC for project Water Supply 24*7	6077	6077
24.08.2020 Advance to M.C (Project Augment Raw Water)	1100	1100

(xi) Expenditure on Foreign Currency:

Currency	As at 31 March 2023		As at 31 March 2022	
	Amount in (Rs. In lacs)	Amount Foreign Currency	Amount in (Rs. In lacs)	Amount Foreign Currency
	9.02	€ 10,705.00	Nil	Nil

Note: The expenditure is incurred on the Visit of CEO, CSCL for International Conference on Smart Cities exhibition held at Barcelona, Spain, towards obtaining exhibition space, travel and accommodation.

(xii) Particulars of Key Managerial Persons (KMP) covered under IND-AS 24 issued by ICAI:

Designation of the KMP	Name of the KMP	Nature of transaction	AS AT 31.03.2023 (Rs. In lacs)	AS AT 31.03.2022 (Rs. In lacs)
CEO	Aneeta Mittal, IAS	Travelling Exp.	9.06	0.30
CHD	CA Nalini Malik	Salary, Travelling Exp, Mobile	24.40	22.55
CS	CS Shaveta Sharma	Salary, Travelling Exp, Mobile	12.41	11.22

Particulars of Key Managerial Persons (KMP) covered under IND-AS 24 issued by ICAI, the amount of payable as on 31.03.2023:

Designation of KMP	Name of the KMP	Nature of transaction	AS AT 31.03.2023 (Rs. In lacs)	AS AT 31.03.2022 (Rs. In lacs)
CHD	CA Nalini Malik	Salary & Allowance	24.1	19.20
CS	CS Shaveta Sharma	Salary & Allowance	12.2	9.60

(xiii) Particulars of payment made to Statutory Auditors:

Transaction	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
Audit Fee	0.42	0.42

(xiv) Contingent Liabilities Not Provided For:

- a) Income tax demands against which the company has preferred appeals Rs. 678.19/- Lacs (Previous Year Rs. Nil Lacs) before CIT Appeals. The demand was raised on 27.07.2021 towards section 143(3) of the Income Tax Act, 1961 against which company submitted that 135.70 Lacs under protest has already been deposited by company and applied stay on 02.09.2022, for which company got the Stay on 14.09.2022. The company has represented 4 hearing so far in the appeal, and latest response was submitted 28th April 2023, and no adverse proceedings is initiated from CIT(A) as on the date of signing of these Financial Statement.
- b) Claims of Rs. Nil Lacs (Previous Year Rs. Nil Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.
- (v) There is a major decision taken by Chandigarh Administration after the date of Balance Sheet which has a significant impact on the annual financial statements to consider the company as a going concern. The decision of U.T. Administrator is provided as under:
 1. The Special Purpose Vehicle, Chandigarh Smart City Ltd. and the project of Integrated Command and Control Centre are, and shall continue to be distinct and separate entities from the Municipal Corporation, Chandigarh.
 2. Any change in rules and regulations of the SPV shall be made only with the prior approval of the Administrator, UT, Chandigarh.
 3. In the interest of financial prudence, CSCL shall make sincere efforts to generate sufficient revenue in order to reduce its dependence on budgetary allocation from UT Chandigarh, in the future.
 4. The SPV, CSCL, shall continue to be in existence, till further order.
- (vi) According to the Smart City Mission Guidelines, the Government of India through MOHUA and the State Government will have 50:50 contribution vis a vis 1/2 ownership in the Company in compliance with the provisions of GFR 2017.
- (vii) Interest accrued to the extent of Rs. 6.41 crores (Rs. 14.82 crores) earned during the year on the Grants-in-Aid released to the Company by the Central/ State government have not been remitted to the Consolidated Fund of India in accordance with the rule 230(8) of GFR, 2017, as these will be utilized in subsequent years against projects in progress.
- (viii) Office Building has been constructed on the land owned by Municipal Corporation, Chandigarh, and the ICC Building is constructed on the Land Owned by Principal Secretary Local Government.
- (ix) The Grant Utilisation Certificates (UCs) have been prepared on actual basis and submitted with authorities. Whereas, Financial Statements are prepared as per Accrual System of Accounting.
- (x) The company has allotted 19,99,00,000 fully paid Equity Shares of Rs. 10 each in F.Y. 2020-21 to Chandigarh Administration and Municipal Corporation in equal proportion as approved in 16th Board Meeting held on 7th August, 2020 from Capital Grant received in terms of 'The Smart Cities Mission' Statement and Guidelines laid down by the Central Government.
- (xi) Grant-in-aid received during the year from Chandigarh Administration has been considered under Cash Flow from Financing Activity in the Cash Flow Statement being a source of fund for organisational objective in compliance with IND-AS 2.
- (xii) There is no other information which is required to be disclosed in accordance with the revised Schedule III as notified vide gazette notification no. S.O. 902 (1) dated 14.02.2018 issued by the Ministry of Company Affairs, Government of India.



CHANDIGARH SMART CITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023



(XXIII) Additional Regulatory Information

(a) Analytical Ratios

Ratio	Formula	As at 31st March, 2023			As at 31st March, 2022			% of Variance	Reason for Variance
		Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
Current Ratio	Current Assets/ Current Liabilities	20880.02	56094.78	0.37	27283.42	48074.03	0.57	14.17	
Debt-Equity Ratio	Total Debt/ Total Equity	-	20249.05	-	-	20344.42	-	N/A	
Debt Service Coverage Ratio	Earnings for Debt Service/ Debt Service	[95.37]	-	-	116.13	-	-	N/A	
Return on Equity Ratio	Profit/ Loss for the year / Average Shareholders' Equity	[95.37]	20,296.73	[0.47]	128.62	20,780.13	0.63	174.09	
Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	-	-	-	-	-	-	N/A	
Trade Receivables Turnover Ratio	Revenue from Operations/ Average Trade Receivables	0.00	-	-	0.01	-	-	N/A	
Trade Payables Turnover Ratio	Net Purchases/ Average Trade Payables	-	3672.70	-	-	4206.36	-	N/A	
Net Capital Turnover Ratio	Revenue from Operations/ Working Capital	12.06	(15214.75)	-	0.01	(20896.59)	-	(51986.20)	
Net Profit Ratio	Net Profit/ Loss for the period/ Revenue from Operations	[95.37]	12.06	(790.55)	128.62	0.01	936074.41	100.08	
Return on Capital Employed	Earnings before Interest and Tax/ Capital Employed	(2652.78)	20,296.73	(13.07)	128.62	20,344.42	0.63	2167.19	
Return on Investment	Income generated from Investments/ Average funds invested	-	-	-	-	-	-	N/A	

- (b) The company owns the immovable property i.e. ICC Building which is constructed on the Land of Chandigarh Administration, the land is earmarked by U.T. Administration for the purpose for which the Building is constructed.
- (c) The company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (d) The company is not declared as a willful defaulter by any bank or financial institution or any other lender.
- (e) During the year, the company does not has any transactions with companies struck off under section 248 of the Companies Act, 2013.
- (f) The Company does not have any charges or satisfaction of charges which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.
- (g) The restrictions related to the number of layers as prescribed under Companies (Restriction on Number of Layers) Rules, 2017 do not apply to our company, being a government company.
- (h) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities(intermediaries), with the understanding that the intermediary shall;
i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
ii. Provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries.
- (i) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;
i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or
ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (j) The company does not have any borrowings from banks or financial institutions on the basis of the security of current assets and, as such the company was not required to file any quarterly returns or statements with any banks or financial institutions.
- (k) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (l) The company has not revalued any of its Property, Plant, and Equipment, or Intangible assets during the year being first year of Transition of IND AS.
- (m) The company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs, and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- (n) Company has deposits of Security & EMD from vendors against performance assurance towards the work under execution, securities held more than one year are classified as non-current liabilities, while securities less than one year are classified under current liabilities, figures of previous year are re-grouped accordingly.
- (o) No balance confirmation against EMD deposits are obtained by the company.
- (p) The Company has not traded or invested in Cryptocurrency or Virtual Currency during the financial year.
- (q) The company is committed to generate a revenue stream for the company, in reference to mission guidelines, the GST Credit is continued to be carried as a recoverable asset, in the light of upcoming revenue stream.
- (r) Share Issue Expenses are written off over a period of Five years from the year in which the Profit & Loss Account is prepared till F.Y. 2020-21, considering the CAG emphasis on writing off of such expenses in reference to P&L in same year the management has submitted the comment to include the same in coming financial year, accordingly balance amount of Rs. 60.38 lacs is written off in P&L in F.Y. 2021-22, resulting reduction in profit to the tune of Rs. 30.19 Lacs in that F.Y.

As per our report of even date annexed

For A.K. Chadda & Co.
Chartered Accountants
FRN: 008683N

Anil Chadda
FCA, Partner
M No. 087312



PLACE : CHANDIGARH
DATE : 29.02.2024

UDIN: 24087312PKATSU3261

For and on behalf of Board of Directors
of Chandigarh Smart City Limited

Anindita Mitra, IAS
Director
DIN: 07858800

Nalini Malik
Chief Finance Officer

Rajesh Verma, IAS
Chairman
DIN: 01089660

Shaveta Sharma
Company Secretary



Annex

PARTICULARS	AS ON 31.03.2023	AS ON 31.03.2022
Trade Payables		
a) MSME		
Raj Gupta & Co	0.56	-
B.M.Varma & Co.		0.72
Continental Foundations		1.41
Deepak Printographics		0.54
Finkotech, Inc		2.36
Five Force Security Solutions Pvt Ltd	2.59	2.31
G S J Envo Limited	127.67	456.59
Hans Raj Kohli	-	322.81
ITH Tourism Hub Pvt. Ltd.	-	2.09
Jain Stationery Mart	-	0.09
Lily Sys Solutions Pvt Ltd		3.56
Methodex System Private Limited		231.56
Passavant Energy & Environment India Private Ltd.	-	297.59
RHYTHM AUTOMATION CONTROL PVT LTD		194.85
R.K Construction		94.01
Secure Guard Security & Manpower Services	34.49	21.95
Software Mine	-	1.82
Varun Procon Pvt Ltd	0.45	122.20
Wiggle Media	-	0.12
Total (a)	165.77	1,756.59
Asian Hotels (North) Ltd	-	-
Egis International S.A.	110.02	66.59
Aanvi Enterprises	-	-
A.Arora & Co.	-	1.26
Bharat Sanchar Nigam Limited (BSNL)	-	0.03
CITCO SEC-9 MM CHD	1.11	-
Defence IT Solutions	0.04	-
Ganpati Enterprises	0.02	0.02
HYVA (INDIA) PVT LTD	45.28	45.28
HOTEL Citi Heights	-	-
Image Communication Systems	-	0.28
Insat Techno Services	-	-
Jai Stationery Store	-	0.25
M/S JBS EVENT Management Group	-	-
Johnson Lifts Private Limited	-	0.47
Manoj Chettri Photography	0.07	-
Modern Cooling Solution	-	0.63
Munish Enterprises	-	0.22
NAV & Co.	0.37	-
Price Water House Coopers Pvt Ltd	20.07	121.03
Sanskriti Enterprises	-	1.40
SMS Ltd	-	180.46
Amar Ujala Limited	-	1.64
Anil Malhotra Builders	5.66	2.51
Arora Flower House	-	4.29
Bennett Coleman & Co.Ltd	1.80	2.07
Bharti Airtel Limited	-	0.01
Capital Graphics	-	0.12
D. B. Corp. Ltd	2.84	2.23
Ess Pee Photostat	-	0.32
Indian Institute Of Corporate Affairs	-	0.12
Larsen & Toubro Limited	-	1,024.26
Melody House 2020-21	-	0.21
M S Fabrication	-	0.34

Cont...



PARTICULARS	AS ON 31.03.2023	AS ON 31.03.2022
Neeraj Mohindra	-	57.79
Quadrant Televentures Ltd.	-	0.01
Royal Power Solutions	-	0.49
Sadhu Singh Hamdard Trust	0.26	
Sai Light & Sound	-	0.25
SBE Infrastructure CSCL Private Limited	772.89	
Sehajbir Singh & Divya Sodhi Advocates		0.06
Sher-E-Punjab Tent Decorators		2.84
SISL Infotech Private Limited	0.45	6.29
SUNIL KUMAR VEDIOGRAPHER	0.12	
Bharat Electronics Ltd	1,133.22	1,790.36
The Hind Samachar Ltd	-	0.41
The Tribune Trust Chd	-	0.12
Ultimate Solutions	-	0.50
Arvind Kumar (Imprest A/c)	-	0.74
V Inspirer Facility Management Pvt Ltd	12.98	-
Total (b)	2,107.19	3,315.86
Total (Rs) (a+b)	2,272.96	5,072.44



Security Deduction, EMD and Hold Payable (Hold for less than 1 Year)		
Agmatel Security Deducted	0.28	-
Security Deposits- SBE Infrastructure Pvt Ltd	34.36	-
Public Toilet In ABD Area	-	3.92
PWC (On Hold OBPAS)	-	8.05
On Hold A/c-Hans Raj Kohli	1.17	10.90
On Hold A/c- Neeraj Mohindra	0.35	7.28
Passavant With Hold A/c	93.30	84.76
Secure Guard - Hold Amt	0.02	0.02
Security Deposit- Neeraj Mohindra	-	2.68
Security Deposits-Anil Malhotra Builders	9.20	6.59
Security Deposits-GSJ Envo Limited	262.54	108.07
Security Deposits- Larsen & Toubro Limited	521.23	252.84
Security Deposits-Passavant	233.83	78.02
Security Deposits-R.K.Construction	12.69	14.17
Security Deposits-Varun Procon Pvt. Ltd.	33.03	14.41
Security Deposits-Insat Techno Services	1.46	
With Held-Agmatel India	-	
With Held-Arya Omnitalk	-	
With Held-Bharat Electronics Limited	802.04	647.06
With Held- Five Force Security	0.01	
With Held-Varun Procon Pvt. Ltd.	50.28	15.26
Total (Rs)	2,055.79	1,254.04

Earnest Money Deposit Payable > 1 Year		
EMD-Animal Carcasses	8.98	8.98
EMD-Fire Escape Shute	0.33	0.33
EMD- STP PACKAGE-I-II-III	20.00	20.00
EMD- WebPortal/ Web Application	0.10	0.10
Total (Rs)	29.41	29.41

Security Deduction and Hold Payable (Hold for more than 1 Year)		
With Held-Agmatel India	7.70	7.70
BEL (On Hold E-Challan Integration)	7.56	7.56
Retention Money - Hyva India	65.65	65.65
Retention Money-Network Bulls Technology	0.29	0.29
Retention Money-SCADA-Arya Omnitalk Wireless	7.05	7.05
Security Deposits-Secure Guard	-	15.88
Security Deposits-Hans Raj Kohli	-	40.47
Security Deposits-Rhythm Automation	16.87	15.37
With Held-Arya Omnitalk	14.09	14.09
With Held-SMS Limited	291.79	203.82
Total (Rs)	410.99	377.88





Annex

PARTICULARS	AS ON 31.03.2023	AS ON 31.03.2022
ADNAVCE TO CREDITORS (Including Imperest)		
Digital Vision	0.06	
ITH TOURISIM HUB PVT LTD	0.01	
Jain Stationery Mart	0.05	
Manoj Digital Video Mixing	0.01	
M/S JBS EVENT Management Group	0.20	
A.Arora & CO.	0.01	
Total (Rs)	0.34	-
Other Debtors -		
Smart Bike Tec Pvt. Ltd.	2.07	2.94
Total (Rs)	2.07	2.94
LOANS AND ADVANCES		
Staff Advance -		
Mobile Hand Set cost recoverable	1.65	0.59
Total (Rs)	1.65	0.59
GST Recoverable	33.17	5.37
Total (Rs)	33.17	5.37





A.K.Chadda & Co.
CHARTERED ACCOUNTANTS

H.O: 1685, SECTOR 22-B

CHANDIGARH-160022

Tel : 91-172-2715093

Tele-Fax : 91-172-5062510

Website : www.akcoffice.com

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INDEPENDENT AUDITOR'S REPORT

To

The Members of

CHANDIGARH SMART CITY LIMITED

Report on the Audit of Financial Statements

Adverse Opinion

We have audited the accompanying financial statements of **CHANDIGARH SMART CITY LIMITED** ('the company') which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss statement, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies along with notes to accounts accompanying the financial statements and other explanatory information.

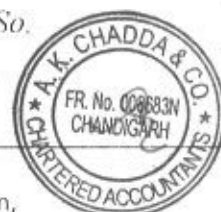
In our opinion, because of the omission of the information in the statement the *Basis for Adverse opinion para of our report* have been taken and to the best of our information and according to the explanations given to us, the aforesaid financial statements do not give the information required by the Act in the manner so required and do not represent fairly in conformity with the accounting principles generally accepted in India:

- (a) in case of the Balance Sheet, of the state of affairs of the Company as at **31 March 2023**;
- (b) in case of Profit and Loss Account, of the loss for the year ended on that date.
- (c) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

Basis for Adverse Opinion

1. *Existence of material uncertainty which may cast doubt on the company's ability to continue as a going concern.*

-The company is a special purpose vehicle (SPV) incorporated to fulfill "Smart Cities Mission" of Government of India which is governed by Smart City Mission Statement & Guidelines. There is an inherent characteristic of uncertainty on the future of the SPV as clearly specified in the Mission Statement & Guidelines. So,



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subsequent events after the date of Balance sheet may result in outcomes that are inconsistent with the assumption of going concern.

-In terms of Smart City Mission Statement & Guidelines issued by Government of India, the company will take up the infrastructure projects to achieve the objective in such a way so as to create a regular revenue stream to make the company self-sustainable as well as sourcing the funds from the market for future prospects in terms of achieving the organizational objectives. However neither there is any provision of revenue stream in any project report prepared at the time of conceiving the project nor any cash flow after the completion of the projects have been generated to justify the revenue stream out of the projects undertaken by the company since its inception. Still further in note no F to accounting policy, the company itself claim that it has no intention to earn any income present as well as in future. The financial statements have been prepared on the assumption of going concern without disclosing the abovesaid facts.

-Similar matter about the self sustainability of the company has been raised before the management and qualified in the previous year's auditor's report for the year ended 31/03/2022 to the stakeholders upon the contention made by the management. However, no tangible results with regard to generating the revenue stream for the company have been produced before us except the para no XV of note no 5.

Based on the above said facts and circumstances, we are of considered opinion that there is an existence of material uncertainty which cast significant doubt on the company's ability to continue as a going concern.

2. Violation of Accrual concept of accounting

- The company has written off the whole amount of expenditure incurred as defined under para F of accounting policy and written back whole amount of grants against these projects to the profit and loss statement rather than considering the respective amount in a systematic and rational basis over the useful life of the assets created out of the respective grant.*
- All the completed projects have been handed over to either Municipal Corporation or Chandigarh administration without any stipulation of revenue sharing earned by respective entity from the projects.*

The financials of the company are not aligned in following the accrual concept of accounting while recognizing a government grant as per Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance"



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 which we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. Advance extended to the stake holder (50% ownership and common control) i.e. Municipal Corporation Chandigarh in FY 20-21 to the tune of Rs. 7177.00 lacs

Advance to the tune of Rs. 7177.00 lacs has been extended to Municipal Corporation Chandigarh for executing 24*7 water supply project and augment raw water project in FY 20-21 which is still unspent in more than past two financial years as admitted by the management in their representation.

An advance to an entity having a significant influence over the company is prejudicial to the interest of the company.

Management Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters 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 of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.



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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report to the extent applicable, that:
 - a. We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by Law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31 March 2023 and taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2023, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".



- g. With reference to reporting under Section 143(5) of the Act in compliance to the directions issued by Comptroller and Auditor General of India, refer to our separate report in “**Annexure C**”.
- 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:
 - a) The Company does not have any pending litigations which would impact on its financial position.
 - b) The Company has no long-term contracts including derivative contracts so no need to make any provision.
 - c) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- i. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company with effect from April 1, 2023, reporting under this clause is not applicable.

For AK Chadda & Co.

Chartered Accountants

ICAI Firm Registration No. 008683N



Anil Chadda

Partner

ICAI Membership No. 087312

Place – Chandigarh

Dated – 29.02.2024

UDIN – 24087312BKATSV3261

“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, 2023:

1) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment except the assets falling under the projects which have been handed over to Municipal corporation and Chandigarh administration specifically defined under para F to the accounting policy attached to the balance sheet;

(B) The Company has complied with the provisions of law in the maintenance of the records of intangible assets held by the company.

(b) All the property except the assets falling under the projects which have been handed over to Municipal corporation and Chandigarh administration specifically defined under para F to the accounting policy attached to the balance sheet have been physically verified by the management in a phased manner, designed to cover all the items over a reasonable period of time having regard to the size of the company and nature of its business. Pursuant to the program, the fixed assets have been physically verified by the management except as stated herein during the year and no material discrepancies between the books records and the physical property, plant and equipment have been noticed;

(c) According to the information and explanation given to us, Company does not own any immovable property and not shown in Financial statement. Therefore this para is not applicable to the company regarding the title deeds of the immovable properties in the name of the company;

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and no comment has been made on the required para;

(e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under during the year;

2) The activity of the Company does not require it to hold any physical inventory. Therefore, the provisions of paragraph 3 (ii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.

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 paragraph 3 (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.



4) On the basis of records produced before us, the Company has not granted any loans, made any investments, given any guarantees and securities as specified in sections 185 and 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3 (iv) of the Order are not applicable to the Company and hence not commented upon.

5) On the basis of records produced before us, 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 rules framed there under with regard to the deposits accepted from the public are not applicable.

6) On the basis of records produced before us and as informed to us by the management, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

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, Goods and Services tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 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 sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute other than as specified below-

Name of the Statue	Nature of the Dues	Amount (Rs. In lacs)	Period to the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax demand (Regular Assessment)	678.19 lacs	FY 2017-18	Commissioner (Appeals), Income Tax

8) According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

9) (a) In our opinion and according to the information and explanations given to us, the Company has not accepted any loans or borrowings from any other financial institutions, banks or from the Government and has not issued any debentures and hence, no comment has been made upon the default in repayment as required in the para;

(b) According to the information and explanations given to us, the Company is not declared willful defaulter by any bank or financial institution or other lender;



(c) According to the information and explanations given to us, no term terms have been taken by the company henceforth, no comment has been made upon the clause (c) and (d) of the relevant para;

(e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, no comment has been made upon clause (e and (f) of the relevant para;

10) (a) 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 paragraph 3 (x) (a) of the Order are not applicable to the Company and hence not commented upon.

(b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

11) (a) 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 ended 31st March, 2023.

(b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act was required and has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) No whistle-blower complaints have been received by the company during the year;

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

13) In our opinion and according to the information and explanations given to us, transactions with the related parties are not applicable to the company being a government company in terms of section 177 and section 188 of the Companies Act. The details regarding Related Party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) (a) In our opinion and based on our examination, the company has adequate internal audit system commensurate with the size and nature of its business;

(b) We have considered the internal audit reports of the company issued till date, for the period under audit;

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 paragraph 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 paragraph 3 (xvi) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

17) According to the information and explanations given to us, the company has not incurred any cash losses in the financial year and immediately preceding financial year.

18) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the order are not applicable.

19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions which came to our attention, we believe that material uncertainty exists as on the date of the audit report that may cast doubt on the company's ability to continue as a going concern as disclosed in Adverse opinion para However, on the basis of financial ratios, ageing and expected date of realization of financial assets, we believe that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due;

20) The provisions of Section 135 towards corporate social responsibility are not applicable on the Company in the FY 2022-23 accordingly; the provisions of clause 3(xx) of the order are not applicable;

21) There is no requirement to prepare consolidated financial statements of the company accordingly, the provisions of clause 3(xxi) of the order are not applicable

for **AK Chadda & Co.**

Chartered Accountants

ICAI Firm Registration No. 008683N


Anil Chadda

Partner

ICAI Membership No. 087312

Place – Chandigarh

Dated – 29.02.2024

UDIN- 24087312BKATSV3261



Annexure – B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Chandigarh Smart City Limited ('the Company') as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over the financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over the Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable for 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 the 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 the 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 judgement, 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 the 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 the financial reporting and the preparation of financial statements for the external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that

- (1) pertains 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 receipt and expenditures of the company are being made only in accordance with authorisations 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 misstatement 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 aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial



reporting were operating effectively as at 31 March 2023, 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 **AK Chadda & Co.**

Chartered Accountants

ICAI Firm Registration No. 008683N



Anil Chadda

Partner

ICAI Membership No. 087312

Place - Chandigarh

Dated - 29.02.2024

UDIN - 24087312BKATSV3261



A.K.Chadda & Co.
CHARTERED ACCOUNTANTS

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Annexure C to Independent Auditor's Report of even date

Report under Section 143(5) of the Companies Act 2013 of Chandigarh Smart City Limited

We have examined the books of accounts of Chandigarh Smart City Limited for the year ended 31st March 2023 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: -

Sr. No	Directions	Remarks
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 loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the 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 term and conditions? List the cases of deviation.	Funds receivable under specific schemes from Central/State agencies have been properly accounted for and utilised.

For A.K. Chadda & Co.
Chartered Accountants
Firm Registration No. 008683N

Anil Chadda
Partner
M. No. 087312



Dated: 29.02.2024

Place: Chandigarh

UDIN: 24087312BKATSV3261

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Chandigarh Smart City Limited