

# Audited Project Financial Statements

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Project Number: 47270-001

Loan Number: 3189

Period covered: 1 April 2016 to 31 March 2017

## IND: Madhya Pradesh District Connectivity Sector Project

Prepared by Madhya Pradesh State Roads Development Corporation

For the Asian Development Bank

Date received by ADB: 5 July 2017

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy 2011 and as agreed between ADB and Madhya Pradesh State Roads Development Corporation.



# M.P. Road Development Corporation Ltd.

(Govt. of M.P. Undertaking)

45-A, Arera Hills, Bhopal-462011

☎ : 0755-2527290 / 2765205 Fax : 0755-2572643, Web : mprdc.nic.in



5511  
No.....MPRDC/Fin./MPDCSP/2017-18

Bhopal, Date :- 28/06/2017

To,

✓ Country Director,  
Indian Resident Mission  
4 San Martin Marg, Chanakyapuri,  
New Delhi – 110021



**Sub:- Submission of Audited Financial Statements(PFS)/ Annual Financial Statements (AFS) for the year ended 31<sup>st</sup> March 2017.**

**Ref:- Loan No.3189-IND MPDCS Projects.**

Dear Sir,

Please find enclosed herewith Audited Financial Statements (PFS) / Annual Financial Statements (AFS) comprises Statement of Receipts and payments, the statement of expenditure by category and financier, the statement of disbursement and related notes for the year ended 31<sup>st</sup> March 2016, duly audited by the Statutory Auditor appointed by Comptroller and Auditor General of India along with audit report.

2017

Thanking You,

Yours Faithfully

Encl. :- As above

*(Signature)*  
(Narendra Kumar)  
Chief Engineer

**Endt. No..... MPRDC/Fin./MPDCSP/2017-18**

**Bhopal, Date:-28/06/2017**

Copy to:-

- 1) Director (ADB), Department of Economic Affairs, Ministry of Finance, Govt. of India, North Block, New Delhi.
- 2) The Commissioner Institutional Finance, Madhya Pradesh Bhopal- for Information.

*(Signature)*  
(Narendra Kumar)  
Chief Engineer

# INDEPENDENT AUDITORS' REPORT

## Report on the Financial Statements

We have audited the accompanying financial statements of **Project- Madhya Pradesh District Connectivity Sector Project (financed by Asian Development Bank under Loan No.3189-IND), ('MPDCSP-ADB')** as implemented by **Madhya Pradesh Road Development Corporation Limited Bhopal ('the Corporation')** which comprises of the Statement of Receipts and Payments, statement of Expenditure by Category and financier, the statement of disbursement and related notes for the period ended as on 31<sup>st</sup> March 2017.

## Management's Responsibility for the Financial Statements

The Corporation's Management is responsible the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the project. This responsibility includes design, implementation and maintenance of adequate internal financial controls, 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.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Corporation has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of Receipts and Payments, of the receipts and payments of the project, for the period ended on 31<sup>st</sup> March 2017; and





- (b) In the case of the Statement of Expenditure, of the expenditure incurred on the project, for the period ended on that date.

### **Report on Other Legal and Regulatory Requirement**

We also report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our examination.
- (b) In our opinion, reasonable books and records pertaining to MPDCSP-ADB loan no. 3189-IND have been kept by the Corporation so far as it appears from our examination of those books and records.
- (c) The Receipts & Payments statement & Statement of Expenditure, dealt with by this Report are in agreement with the records
- (d) Proceeds of the loan have been utilised for the purpose as per ADB Loan agreement.
- (e) Financial Covenants in the loan agreement no. 3189-IND have been complied with.
- (f) The SOEs have been submitted to ADB in accordance with the loan agreement.

Date : 27/06/2017  
Place : Bhopal

**FOR Mishra Tiwari & Associates**  
**(Chartered Accountants)**  
**Firm Reg. No. 005188C**

  
**CA Sanjay Mishra**  
**Partner**  
**M. No. 073946**



**Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited**  
**Implementing Agency - Madhya Pradesh Road Development Corporation Limited**  
**Project- Madhya Pradesh District Connectivity Sector Project**  
**Loan No.3189-IND**

**STATEMENT OF RECEIPTS AND PAYMENTS**  
**REPORT FOR THE YEAR ENDED 31ST MARCH, 2017**

in(INR)'000

Particular	Note Reference	During the Current year	During the Previous Year	Cumulative Project to date
		For 12 Month period	For 12 Month period	As at (End of Current year)
<b>Opening Balance (A)</b>		6,01,173	-	
<b>Receipts</b>				
Funds received from Government	4	90,30,670	60,00,000	1,54,04,063
ADB Loan	6			
ADB Grant	6			
Co-Financier 1	7			
Co-Financier 2	8			
Beneficiary contribution (If any)	9			
Other receipts as Temporary fund ,interest income,sale from disposal of fixed assets, etc.	10	8,52,232	9,83,233	18,35,465
<b>Total Receipts (B)</b>		<b>98,82,902</b>	<b>69,83,233</b>	<b>1,72,39,528</b>
<b>Total (C=A+B)</b>		<b>1,04,84,075</b>	<b>69,83,233</b>	<b>1,72,39,528</b>
<b>Payments</b>				
Investment Costs	11			
Civil works		1,02,08,954	62,20,637	1,68,02,983
Mechanical and Equipment				
Environment and Social Mitigation		-		
Consultants				
a. Project Management		1,85,845	1,18,777	3,04,622
b. Capacity Development				-
Others (Service Tax & Project Development Expenses)		50,089	42,646	92,736
<b>Subtotal (D)</b>		<b>1,04,44,888</b>	<b>63,82,060</b>	<b>1,72,00,341</b>
<b>Recurrent Costs</b>	12			
Salaries		-	-	0
Accommodation		-	-	0
Equipment Operation and Maintenance		-	-	0
Others		-	-	0
<b>Subtotal (E)</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Payments</b>				
<b>Financing Charges During Implementation (F)</b>	13	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Project Cost (G=D+E+F)</b>		<b>1,04,44,888</b>	<b>63,82,060</b>	<b>1,72,00,341</b>
<b>Closing Balance (C-G)</b>		<b>39,186</b>	<b>6,01,173</b>	<b>39,186</b>

For M.P.Road Development Corporation Ltd.

  
**(Narendra Kumar)**  
 Chief Engineer

  
**(Upendra Sharma)**  
 General Manager, Finance

As per our report of even date attached  
 For M/s Mishra Tiwari & Associates  
 Chartered Accountants  
 Firm Regn.No:-005188C

  
**CA Sanjay Mishra**  
 Partner  
 M.No. 073946



Place : Bhopal

Date : 27 JUN 2017

**Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited**  
**Implementing Agency - Madhya Pradesh Road Development Corporation Limited**  
**Project- Madhya Pradesh District Connectivity Sector Project**  
**Loan No.3189-IND**  
**Statement of Expenditure by Category & Financier**  
**Report for the year ended 31st march,2016**

in(INR)'000

Particular	ADB			Co-Financier		Government		Total Expenditure 8
	Percentage of Financing 1	Actual Expenditure		Actual Expenditure		Actual Expenditure		
		Amount 2	% 3	Amount 4	% 5	Amount 6	% 7	
Investment Costs								
Civil works		79,62,984	78			22,45,970	22	1,02,08,954
Mechanical and Equipment								
Environment and Social Mitigation								
Consultants								
a. Project Management		1,85,845	100				-	1,85,845
b. Capacity Development								
c. Others (Service Tax & Project		-				50,089	100	50,089
Development Expenses)								
Subtotal (A)		81,48,829				22,96,059		1,04,44,888
Recurrent Costs		-		-		-		-
Salaries								
Accommodation								
Equipment Operation and Maintinence								
Others								
Subtotal (B)		-		-		-		-
Total Cost (C=A+B)		81,48,829		-		22,96,059		1,04,44,888
% Total Project Cost		33.23%				9.36%		42.59%
Total Project cost for (Insert prev. year period)		20.27%				5.76%		26.03%

For M.P.Road Development Corporation Ltd.

  
**(Narendra Kumar)**  
 Chief Engineer

  
**(Upendra Sharma)**  
 General Manager, Finance

Place : Bhopal

Date 27 JUN 2017

As per our report of even date attached

For M/s Mishra Tiwari &amp; Associates

Chartered Accountants

Firm Regn.No.:005188C

  
**CA Sanjay Mishra**  
 Partner  
 M.No. 073946





**Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited**  
**Implementing Agency - Madhya Pradesh Road Development Corporation Limited**  
**Project- Madhya Pradesh District Connectivity Sector Project**  
**Loan No.3189-IND**  
**STATEMENT OF DISBURSEMENT**

Details of the disbursement by method are given below:

				In (INR) '000
Statement of Disbursement	Note	Current Year	Previous Year	Cumulative Project to date
<b>ADB Fund Claimed during the Year</b>				
Reimbursement	6.1	81,48,829	49,70,874	1,34,10,949
Imprest Fund	6.2			
Direct Fund	6.3			
Commitment Letter	6.4			
<b>Subtotal</b>	<b>(A)</b>	<b>81,48,829</b>	<b>49,70,874</b>	<b>1,34,10,949</b>
<b>Total Expenditure made during the year</b>	<b>(B)</b>	<b>1,04,44,888</b>	<b>63,82,060</b>	<b>1,72,00,341</b>
Less:				
Expenditure not yet Claimed	(C)	-	-	-
Borrower's Share	(D)	22,96,059	14,11,186	37,89,392
<b>Total Eligibal Expenditure claimed (B-C-D=E=A)</b>	<b>(E)</b>	<b>81,48,829</b>	<b>49,70,874</b>	<b>1,34,10,949</b>

For M.P.Road Development Corporation Ltd.

  
**(Narendra Kumar)**  
 Chief Engineer

  
**(Upendra Sharma)**  
 General Manager, Finance

Place : Bhopal

Date : 27 JUN 2017

As per our report of even date attached

For M/s Mishra Tiwari & Associates

Chartered Accountants

Firm Regn.No.:005188C

  
**CA Sanjay Mishra**  
 Partner

M.No. 073946



## **Annexure – 4**

**Name of the Country - INDIA**

**Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation limited**

**Implementing Agency – Madhya Pradesh Road Development Corporation Limited**

**Project- Madhya Pradesh District Connectivity Sector Project**

**Loan No. -3189-IND**

### **NOTES TO THE FININCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

#### **1 PROJECT NATURE AND ACTIVITIES**

**1.1 Description Of the project -** To develop more efficient and sustainable transport operations on the Major District Road.

**Nature of activities-** Rehabilitation and up gradation of the Major District Road  
**commencement and expected completion dates-**27/03/2015 and 30/04/2018

**Location-** Major District Roads at all parts of the Madhya Pradesh

**Brief Nature of the project outputs -**More efficient and sustainable transport operations on the Major District Road.

**1.2 Give legislative framework –** Not Applicable

#### **2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with terms of reference (TOR) conveyed by Government of India/ Ministry of Finance/ Department of Economic Affairs vide their letter No. 4/12/2013-ADB-II dated 27/08/2013. This refers to the cash basis of accounting applied with due regard to the General Financial Rules, PWD Codes, Treasury Codes, and similar rules and codes as are in effect and applicable to the operation of the project.

#### **3. SIGNIFICANT ACCOUNTING POLICY**

##### **3.1 Financial Statement**

This comprises of the Statement of Receipts and Payments, the Statements of Expenditure by Category and Financier, the statement of Disbursement and related notes appendices to the financial Statements.

##### **3.2 Basic of Measurement**

Financial statements have been prepared under the historical cost convention and on cash basis of accounting.

**3.3 Change of accounting policies-**There is no change in Accounting Policies. These financial statements have been prepared in accordance with terms of reference (TOR) conveyed by Government of India/ Ministry of Finance/ Department of Economic Affairs vide their letter no. 4/12/2013-ADB-II dated 27/08/2013.





### 3.4 Fund Flow Mechanism

Describe the fund flow mechanism, in particular, whether the IA/EA control funds or whether all payments are centralized- Fund Flow Mechanism are controlled by EA and all payments are centralized.

### 3.5 Advance and other receivables

Describe treatment of advance against expenditures –Advances as and when paid are considered as expenditure in the SOE & enclosed annexure and any recovery in the interim payment certificate, the net amount paid after recovery are considered as expenditure.

### 3.6 Cash and cash equivalents

Cash equivalents comprise [define components of cash]. Explain if the entity controls unspent advances, only petty cash, or has a nil balance, as applicable– All payments are made through Bank only. No cash balance is maintained.

### 3.7 Accrued and other Liabilities

Disclose any major liabilities which have not been accrued under the cash basis policy- Following liabilities have not been accrued under the cash basis policy therefore not accounted for :-

Liabilities	Amount ( Rs.)
Retention Money	- 849878097.00
Withheld / Other Deductions	- 430068157.00
<b>Unpaid bills</b>	
Contractors	- 80658895.00
Consultants	- 39120740.00
Statutory Deductions on unpaid bills	- 1583327.00

### 3.8 Income

- i) Describe nature of different types of Income and how they are recognized. For example Grants, sale of proceeds of fixed assets, interest income on bank accounts etc. – Details of other receipts are given in Note reference 10.
- ii) [included if applicable] Free of cost office space, Electricity and certain other services provided by {insert name} are not valued and accordingly, are not recognized in these financial statements as income of the project.- NA

### 3.9 Foreign currency transaction and translation

- (a) Function and presentation currency



Items included in the financial statements of the project are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is the Indian Rupee (INR)

(b) **Transactions and balances** – No transactions in foreign currency.

3.10 **Allocation of common Costs**

No common costs are allocated to different output/activities.

3.11 **Interest Expenses and Financial Charges**

No financial charges & interest have been allocated to the project by the borrower.

4. **FUNDS RECEIVED FROM THE GOVERNMENT**

Government of Madhya Pradesh provides fund to Madhya Pradesh Road Development Corporation based on executing program submitted through budgetary support. Details of fund provided are as under:-


in (INR)'000


	Current Year	Previous Year	Cumulative Year to Date
Government Counterpart funding amount Reimbursable to Government			
Fund Received	90,30,670.00	60,00,000.00	1,54,04,063.00

5. **Date of Authorization**

These financial statements have been authorized for issue by the Management of Madhya Pradesh Road Development Corporation Limited on 19/06/2017

For M.P.Road Development Corporation Ltd.

  
**(Narendra Kumar)**  
 Chief Engineer

  
**(Upendra Sharma)**  
 General Manager, Finance

Place : Bhopal

Date : 27 JUN 2017

As per our report of even date attached

**For M/s Mishra Tiwari & Associates**

Chartered Accountants

Firm Regn.No.: 005188C

  
**CA Sanjay Mishra**

Partner

M.No.073946



**Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited**

**Implementing Agency - Madhya Pradesh Road Development Corporation Limited**

**Project- Madhya Pradesh District Connectivity Sector Project**

**Loan No.3189-IND**

## 6 . FUNDS RECEIVED FROM ADB

NOT APPLICABLE

### 6.1 Fund received from ADB through reimbursement method

Particulars	Amount in INR
Amount spent and claim submittable by MPRDC for reimbursement during financial year 2016-2017	81,48,829
<b>Add:</b> Amount spent in FY 2015-16 but Claim submitted by MPRDC and reimbursed by ADB during the year 2016-17	18,08,180
<b>LESS:</b> Expenditure incurred during the year 2016-17 but claims are not submitted till 31/03/2017	13,39,897
<b>LESS:</b> Claims submitted by MPRDC of Rs.70,65,88,265/- on 09/06/2016 but reimbursed by ADB Rs. 69,62,10,257/- on 07/07/2016	10,378
<b>LESS:</b> Claims submitted by MPRDC of Rs.33,94,21,664/- on 20/02/2017 but not reimbursed by ADB till 31/03/2017	3,39,422
<b>LESS:</b> Claims submitted by MPRDC of Rs.921265142/- on 24/03/2017 but reimbursed by ADB on 11/05/2017	9,21,265
<b>LESS:</b> Claims submitted by MPRDC of Rs.646339148/- on 24/03/2017 but reimbursed by ADB on 24/05/2017	6,43,639
<b>LESS:</b> Expenditure incurred during the year 2016-17 but claims are not submitted till 31/03/2017	1,59,252
<b>ADD:</b> Claimable amount of Statutory deduction which was deducted from work done as payment of the same made in FY 2017-18	25,375
<b>Amount of Reimbursement by ADB during financial year 2016-2017</b>	<b>65,68,531</b>

## ADB LOAN & GRANT

NOT APPLICABLE

## DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE

As per Appendix 1






## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note Refernece 7

Co-Financer 1

NOT APPLICABLE

Note Refernece 8

Co-Financer 2

NOT APPLICABLE

## Annexure - 9

Note Refernece 9

Beneficiary contribution

As per Appendix - 2


Note Refernece 10

DETAILS OF OTHER RECEIPTS AS PER NOTE REFERENCE 10

Particulars	In (INR)'000		
	Current Year	Previous Year	Cumulative project to date
Temporary Advance from MPRDC	8,13,763	9,55,124	17,68,887
Interest (net after Tax deducted at source)	38,469	28,109	66,578
<b>TOTAL</b>	<b>8,52,232</b>	<b>9,83,233</b>	<b>18,35,465</b>

For M.P.Road Development Corporation Ltd.

  
**(Narendra Kumar)**  
 Chief Engineer

  
**(Upendra Sharma)**  
 General Manager, Finance

As per our report of even date attached

For M/s Mishra Tiwari &amp; Associates

Chartered Accountants

Firm Regn.No.: -005188C

  
**CA Sanjay Mishra**  
 Partner

M.No. 073946

Place : Bhopal

Date : 27 JUN 2017

Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited

Implementing Agency - Madhya Pradesh Road Development Corporation Limited

Project- Madhya Pradesh District Connectivity Sector Project

Loan No.3189-IND

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing 78 %	Net Eligible Expenses	Amount Reimbursed	Imprest Fund Replenished/ Liquidated	Total Disbursement Using SOE Procedure
	2	3	4	5	6 (4x5)	7	8	9=(7+8)
0000'1	1	Civil Work	1,02,08,954	78%	79,62,984	64,19,214	0	64,19,214
	2	Mechanical Work						
0000'2	1	Consultants	1,85,845	100%	1,85,845	1,49,317	0	1,49,317
	2	Salaries						
	3	Accommodation						
0000'5	1	Environment and Social Mitigation						
	2	Equipment Operation and Maintenance						
		<b>Total</b>	<b>1,03,94,799</b>		<b>81,48,829</b>	<b>65,68,531</b>	<b>0</b>	<b>65,68,531</b>
		Total for (Prior Year)	63,39,413		49,70,873	-		0



*Vijay*

## STATEMENT OF APPROPRIATION VS. ACTUAL

[illegible]

*Sumit*

