

Audited Project Financial Statements

Project Number: 47270

Loan 3189

Period covered: 1 April 2014 to 31 March 2015

IND: Madhya Pradesh District Connectivity Sector Project

Prepared by the Madhya Pradesh Road Development Corporation Ltd.
for the Asian Development Bank
Received on 30 June 2015

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 the Madhya Pradesh Road Development Corporation Ltd..



MADHYA PRADESH ROAD DEVELOPMENT CORPORATION LTD.

(Govt. of M.P. Undertaking)

45-A, Arera Hills, Bhopal-462 011

Tel.: (O) 0755-2765196, 205, 213, 216 (EPABX), 0755-2550995, Fax : 91-755-2572643

Website : www.mprdc.nic.in

AB

4656

No.....MPRDC/Fin./MPDCSP/2015-16

Bhopal, Date :- /06/2015

29

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 31st March 2015.

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 financer, the statement of disbursement and related notes for the year ended 31st March 2015, duly audited by the Statutory Auditor appointed by Comptroller and Auditor General of India along with audit report.

Thanking You,

Yours Faithfully

Encl. :- As above

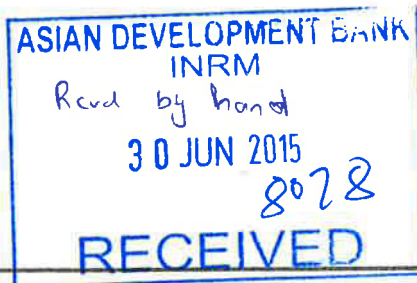
(G.P.Mehra)
Chief Engineer

Endt. No..... MPRDC/FIN/2015

Bhopal, Date:- /06/2015

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.



(G.P.Mehra)
Chief Engineer

INDEPENDENT AUDITOR'S 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, the Statement of Expenditure by category and financier, the statement of disbursement and related notes for the period ended as on 31st March 2015.

Management's Responsibility for the Financial Statements

The Corporation's Management is responsible for 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 the design, implementation and maintenance of internal control 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.

Auditors' 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 the 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 in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, 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 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 31st March, 2015; 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 Requirements

We also report that:

- (a) We have 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 have been kept by the Corporation so far as it appears from our examination of those books and records.
- (c) Proceeds of the loan have been utilised for the purpose as per ADB loan agreement.
- (d) Financial covenants in the loan agreement no. 3189-IND have been complied with.
- (e) The procedure of the SOEs has been followed in accordance with the loan agreement.

For **Gupta Lakhani & Associates**

Chartered Accountants

Firm Regn. No. 011894C



R.P. Gupta

Partner

M. No. 016564

Place: Bhopal

Date: 27.06.2015



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, 2015

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)
Opening Balance (A)		-	-	
Receipts				
Funds received from Government	4	3,73,393	-	3,73,393
ADB Loan	6			
ADB Grant	6			
Co-Financier 1	7			
Co-Financier 2	8			
Beneficiary contribution (If any)	9			
Other receipts as interest income, sale from disposal of fixed assets, etc.	10	-	-	-
Total Receipts (B)		3,73,393	-	3,73,393
Total (C=A+B)		3,73,393	-	3,73,393
Payments				
Investment Costs	11			
Civil works		3,73,393	-	3,73,393
Mechanical and Equipment				
Environment and Social Mitigation		-		
Consultants				
a. Project Management		-	-	-
b. Capacity Development				-
Others (Service Tax & Project Development Expenses)		-	-	-
Subtotal (D)		3,73,393	-	3,73,393
Recurrent Costs	12			
Salaries		-	-	0
Accommodation		-	-	0
Equipment Operation and Maintenance		-	-	0
Others		-	-	0
Subtotal (E)		0	0	0
Total Payments				
Financing Charges During Implementation (F)	13	0	0	0
Total Project Cost (G=D+E+F)		3,73,393	-	3,73,393
Closing Balance (C-G)		0	-	0

For M.P.Road Development Corporation Ltd.

(G.P.Mehra)
Chief Engineer

(Dr. Arun Paliwal)
General Manager (Finance)

As per our report of even date attached

For M/s Gupta Lakhani & Associates
Chartered Accountants
Firm Regn.No.:011894C

(R.P.Gupta)
Partner
M.No. 016564



Place : Bhopal

Date : 27.06.2015

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,2015

in(INR)'000

Particular	Percentage of Financing 1	ADB		Co-Financier		Government		Total Expenditure 8
		Actual Expenditure		Actual Expenditure		Actual Expenditure		
		Amount 2	% 3	Amount 4	% 5	Amount 6	% 7	
Investment Costs								
Civil works		2,91,247	78			82,146	22	3,73,393
Mechanical and Equipment								
Environment and Social Mitigation								
Consultants								
a. Project Management			100			-	-	-
b. Capacity Development								
c. Others (Service Tax & Project							100	
Development Expenses)		-						-
Subtotal (A)		2,91,247				82,146		3,73,393
Recurrent Costs								
Salaries		-		-		-		-
Accommodation								
Equipment Operation and Maintinence								
Others								
Subtotal (B)		-		-		-		-
Total Cost (C=A+B)		2,91,247		-		82,146		3,73,393
% Total Project Cost		8.24%				2.32%		10.56%
Total Project cost for (Insert prev. year period)		Nil				Nil		Nil

For M.P.Road Development Corporation Ltd.



(G.P.Mehra)
Chief Engineer



(Dr.Arun Paliwal)
General Manager (Finance)

Place : Bhopal

Date : 27.06.2015

As per our report of even date attached

For M/s Gupta Lakhani & Associates

Chartered Accountants

Firm Regn.No.:-011894C



(R.P.Gupta)
Partner

M.No. 016564



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
ADB Fund Claimed during the Year				
Reimbursement	6.1	2,91,247		2,91,247
Imprest Fund	6.2			
Direct Fund	6.3			
Commitment Letter	6.4			
Subtotal	(A)	2,91,247	-	2,91,247
Total Expenditure made during the year	(B)	3,73,393		3,73,393
Less:				
Expenditure not yet Claimed	(C)	-	-	-
Borrower's Share	(D)	82,146	-	82,146
Total Eligible Expenditure claimed (B-C-D=E=A)	(E)	2,91,247	-	2,91,247

For M.P.Road Development Corporation Ltd.


(G.P.Mehra)
Chief Engineer


(Dr.Arun Paliwal)
General Manager (Finance)

As per our report of even date attached

For M/s Gupta Lakhani & Associates

Chartered Accountants

Firm Regn.No.-011894C


(R.P.Gupta)
Partner
M.No. 016564



Place : Bhopal

Date : 27.06.2015

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 31ST MARCH, 2015

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-This is the first year of loan no.3189. 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.



A handwritten signature in blue ink, appearing to be 'A. L.' or similar, with a horizontal line drawn underneath it.

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 treated as expenditure and whenever recovered from the interim payment certificate the net amount paid after recovery of advances are shown 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	3974615.00
Withheld / Other Deductions	835000.00
Tax Deducted at Source	700719.00
Value Added Tax	1121121.00
Labour Cess	560560.00

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. –** There is no other receipts
- 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**



A handwritten signature in blue ink, appearing to be "A.C.", written over a horizontal line.

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

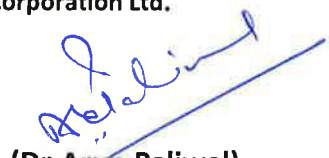
	Current Year	Previous Year	Cumulative Year to Date
Government Counterpart funding amount Reimbursable to Government	3,73,393	-	3,73,393

5. **Date of Authorization**

These financial statements have been authorized for issue by the Management of Madhya Pradesh Road Development Corporation Limited on 16/06/2015

For M.P.Road Development Corporation Ltd.


(G.P.Mehra)
Chief Engineer


(Dr.Arun Paliwal)
General Manager
(Finance)

As per our report of even date attached

For M/s Gupta Lakhani & Associates

Chartered Accountants
Firm Regn.No.:011894C



(R.P.Gupta)
Partner
M.No. 016564



Place : Bhopal

Date : 27.06.2015

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

Amount spent and claimable for reimbursement	2,91,247
Less	
Claims submitted on 31/05/2015	2,91,247
Amount of reimbursement by ADB during financial year 2014-15	Nil

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 2015

Note Refernece 7

Co-Financer 1

NOT APPLICABLE

Note Refernece 8

Co-Financer 2

NOT APPLICABLE

Note Refernece 9

Beneficiary contribution

As per Appendix - 2



Note Reference 10

DETAILS OF OTHER RECEIPTS AS PER NOTE REFERENCE 10

In (INR)'000

Particulars	Current Year	Previous Year	Cumulative project to date
	-	-	-
Interest (net after Tax deducted at source)	-	-	-
TOTAL	-	-	-

For M.P.Road Development Corporation Ltd.



(G.P.Mehra)
Chief Engineer



(Dr.Arun Paliwal)
General Manager (Finance)

Place : Bhopal

Date : 27.06.2015

As per our report of even date attached

For M/s Gupta Lakhani & Associates

Chartered Accountants

Firm Regn.No.:011894C



(R.P.Gupta)

Partner

M.No. 016564



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 2015

DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE

		In (INR) '000						
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	373393	78%	291247	0	0	0
	2	Mechanical Work						
0000'2	1	Consultants	0		0	0	0	0
	2	Salaries						
	3	Accommodation						
0000'5	1	Environment and Social Mitigation						
	2	Equipment Operation and Maintenance						
		Total	373393		291247	0	0	0
		Total for (Prior Year)	0		0	0	0	0



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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 APPROPRIATION VS. ACTUAL

Cost Categories	For the current year ended 2015				For the prior year ended 2014				Cumulative from (Beginning to project) to year to date			
	Budgeted Expenditures	Actual Expenditures	Utilization Percentage	Variance	Budgeted Expenditures	Actual Expenditures	Utilization Percentage	Variance	Program Budgeted Expenditures	Actual Expenditures	Utilization Percentage	Variance
Investment Costs	INR'000	INR'000	%	INR'000	INR'000	INR'000	%	INR'000	INR'000	INR'000	%	INR'000
Civil works	6,81,600	3,73,393	54.78%	3,08,207	0	0	0.00%		6,81,600	3,73,393	54.78%	3,08,207
Mechanical and Equipment												
Environment and Social Mitigation												
Consultants												
a. Project Management												
b. Capacity Development												
Others (Service Tax, Project Development Expenses Bank charges & interest payment)												
Subtotal	6,81,600	3,73,393		3,08,207	-	-		-	6,81,600	3,73,393		3,08,207
Recurrent Costs												
Salaries												
Accommodation												
Equipment Operation and Maintenance												
Others												
Subtotal	0	0		0	0	0		0	0	0		0
Total Payments	6,81,600	3,73,393		3,08,207	-	-		-	6,81,600	3,73,393		3,08,207
Financing Charges During Implementation												
Total Project Cost												





MADHYA PRADESH ROAD DEVELOPMENT CORPORATION LTD.

(Govt. of M.P. Undertaking)

45-A, Arera Hills, Bhopal-462 011

Tel.: (O) 0755-2765196, 205, 213, 216 (EPABX), 0755-2550995, Fax : 91-755-2572643

Website : www.mprdc.nic.in

To
M/s Gupta Lakhani and Associates
Chartered Accountants
F 12-14, Chitra Complex,
178 Zone-I, M.P. Nagar
Bhopal 462011

Date:27/06/2015

This Assertion letter is provided in connection with your audit of the financial statement of the **Madhya Pradesh District Connectivity Sector Project** for the year ended 31st March, 2015. We acknowledge our reasonability for the fair presentation of the financial statement in accordance with the cash basis of accounting followed by the Government of India, and we confirm, to the best of our knowledge and belief, the following representation made to you during your audit:

- The project financial statement is free of material misstatements, including omissions.
- Project funds have been used for the purposes for which they were provided.
- Projects expenditure is eligible for financing under the loan/Credit agreement.
- There have been no irregularities involving management or employees who have a significant role in internal control of that could have a material effect on the project financial statements.
- We have made available to you all books of accounts and supporting documentation relation to the project.
- The project has complied with the conditions of all relevant legal agreements , including the Loan Agreement , the Project Agreement , the Project Appraisal Document , the Minutes of Negotiations and the Borrower's Project Implementation Plan.

For Madhya Pradesh Road Development Corporation Limited

(G.P. Mehra)

Chief Engineer

(Dr. Arun Paliwal)

General Manager (Finance)