

Audited Project Financial Statements

Project Number: 47101-002

Loan/Grant Number: 3140

Period covered: 31 March 2015 – 31 March 2016

IND: Assam Power Sector Investment Program – Tranche 1

Prepared by Assam Power Generation Company Ltd.

For the Asian Development Bank

Date received by ADB: 28 February 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 the Assam Power Sector Generation Company Ltd.

ASSAM POWER GENERATION COMPANY LTD

PROJECT ACCOUNT

FY 2015-16

LOAN no: 3140-IND

Name of the Executing Agency: Assam Power Generation Corporation Limited [APGCL]
 Name of the Implementing Agency: Assam Power Generation Corporation Limited [APGCL]
 Name of the Project: Assam Power Sector Investment Program (Tranche-1)

Loan/Grant No. 3140-IND

STATEMENT OF RECEIPTS AND PAYMENTS
REPORT FOR THE YEAR/PERIOD ENDED 31st March 2016

in (INR) '000

Particulars	Note Reference	During the Current Year for 12 month period	During the Previous Year for 12 month period	Cumulative Project to date as at [end of CURRENT year]
Opening balance ¹ (A)		-	-	-
Receipts				
Funds received from Government ²	4	-	-	-
ADB Loan ³	6	246592		246592
ADB Grant ³				
Co-financier 1				
Co-financier 2				
Beneficiary contribution (if any)				
Other receipts such as interest income, sale from disposals of fixed assets etc				
Total Receipts (B)		246592	-	246592
Total (C = A + B)		246592	-	246592
Payments⁴				
Investment Costs				
Civil Works		28968		28968
Equipment & Materials		202012		202012
Environment and Social Mitigation				
Traning Expenditure/Capacity Development		15612		15612
Consulting Service				
Taxes				
Overhead				
Others				
Subtotal (D)		246592	0	246592
Recurrent Costs				
Salaries				
Accommodation				
Equipment Operation and Maintenance				
Others				
Subtotal (E)		0	0	0
Total Payments		246592	0	246592
Financing Charges During Implementation (F)		0	0	0
Total Project Cost (G = D + E + F)		246592	0	246592
Closing Balance (C - G)		-	-	-

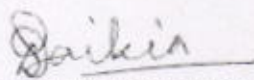
¹ If cash balance are controlled by the entity, indicating cash balance, imprest account and SOIA balance separately

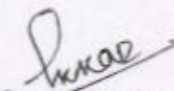
² These will include external assistance received by Government for the project

³ This shall include amounts received in the Bank Account as well as amounts deemed to be received against direct payments made by ADB to the suppliers of goods and services under Direct Payment procedure and Commitment Letter procedure

⁴ Expenditure categories are based on the cost allocation table as per Loan/Grant Agreement

Notes 1 to 6 of the financial statements form an integral part of these financial statements


 Assistant Manager (Accounts)
 Of the MD, APGCL
 Bhulee Bhawan, Guwahati.


 Deputy General Manager (F&A)
 Of the M.D., A.P.
 Paltanbazar, Guwahati.

Name of the Executing Agency: Assam Power Generation Corporation Limited
 Name of the Implementing Agency: Assam Power Generation Corporation Limited (APGCL)
 Name of the Project: Assam Power Sector Investment Program (Tranche-1)
 Loan/Grant No. 3140-IND

STATEMENT OF EXPENDITURE BY CATEGORY AND FINANCIER
REPORT FOR THE YEAR/PERIOD ENDED: 31st March 2016

in INR '000

Particulars	ADB ¹		Government		Total Expenditure 8	
	Percentage of financing ¹ 1	Actual Expenditure		Actual Expenditure		
		Amount 2	% 3	Amount 6		% 7
Investment Costs ²						
Civil Works	100*	28968			28968	
Equipment & Materials	100*	202012			202012	
Environment and Social Mitigation					0	
Traning Expenditure/Capacity Development					15612	
Consulting Servive	100*	15612			0	
Taxes						
Overhead						
Others						
Subtotal (A)		246592		0	246592	
Recurrent Costs						
Salaries						
Accommodation						
Equipment Operation and Maintenance						
Others						
Subtotal (B)		0				
Total Cost (C=A+B) ³		246592		0	246592	
Financing Charges during Implementation (D)		0				
Total Project Cost (A+B+C+D)		246592		0	246592	
% Total Project Cost						
Total Project Cost for [insert prior year period]						

¹ The financing percentages for ADB funds should directly correlate to the financing percentages in the allocation table(s) of the financing agreement(s).

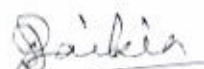
² Expenditure categories are based on the cost allocation table as per Loan/Grant Agreement.


³ The figures shown against various categories of expenditure should agree with the current year's payment in Annexure 1, Statement of Receipts and Payments.

⁴ This shall include total expenditure claimed from ADB under various disbursement procedures, i.e. direct payment, reimbursement, imprest account and commitment letter.

Notes 1 to 6 of the financial statements form an integral part of these financial statements

* Ex works price


 Assistant Manager (Accounts)
 O/o the MD, APGCL
 Bhules Bhawan, Guwahati-1


 Deputy General Manager (F&A)
 O/o the M.D., A.F.G.C.L.
 Palranbazar, Guwahati-1

Name of the Executing Agency: Assam Power Generation Corporation Limited [APGCL]
 Name of the Implementing Agency: Assam Power Generation Corporation Limited [APGCL]
 Name of the Project: Assam Power Sector Investment Program (Tranche-1)
 Loan/Grant No. 3140-IND

Statement of Disbursement

Details of the disbursements by method are given below:

in INR '000

Statement of Disbursement	Note	Current Year	Prior Year	Cumulative Project to Date
ADB Fund claimed during the year				
Reimbursement ³	6.1	4139	-	4139
Imprest Fund ³	6.2			
Direct Payment	6.3	242453	-	242453
Commitment Letter	6.4			
Subtotal	(A)	246592	0	246592
Total Expenditure made during the year ¹	(B)	246592		246592
Less:				
-Expenditure not yet claimed	(C)	0	0	0
-Borrower's share ²	(D)	0	0	0
Total Eligible Expenditure claimed (B-C-D=E=A)	(E)	246592	0	246592

¹ The total expenditure as per Statement of Receipts and Payments.

² This should tally with the Government share included in Statement of Expenditure by category and financier (Column 6)

³ Includes both claims using SOE and full supporting documentation

Notes 1 to 6 of the financial statements form an integral part of these financial statements

Saikia
 Assistant Manager (Accounts)
 O/o the MD, APGCL
 Bhubaneswar, Odisha

Sharma
 Deputy General Manager (F&A)
 O/o the M.D., A.P.G.C.L.
 Panambazar, Guwahati

NAME OF THE COUNTRY: INDIA/ASSAM

IMPLEMENTING AND EXECUTING AGENCY: Assam Power Generation Corporation Limited [APGCL]

NAME OF THE ENTITY/PROJECT: Assam Power Sector Investment Program (Tranche-1)

ADB LOAN REFERENCE: 3140-IND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March'2016

1. Project Nature and Activities

- 1.1 **Project Description:** The project shall comprise the following (a) Civil works for replacement of four 15MW open gas cycle turbine generators with 70MW (nominal capacity) reciprocating internal combustion gas engine generators in Lakwa, (b) Project preparation and implementation support (c) enterprise resource planning support and (d) capacity building and training. Consulting Services will be provided to support the above stated activities.

Project Outputs: The objective of the Investment Program is to increase capacity and efficiency of energy generation and distribution in the state and to upgrade and expand the generation system in the state and to develop institutional capacity of APGCL and APDCL. The outcome will be increased adequacy and efficiency of power system, including clean energy development in Assam with a modern plant with better heat rate towards implementation of 70MW (nominal) Lakwa Replacement Power.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in India and the relevant presentational requirements of the Companies Act-1956. This refers to the accrual basis of accounting applied with due regard to the General Financial Rules and accounting policies adopted by the company. The operations of the corporation are governed by the Electricity Act 2003 and various regulations and policies framed thereunder by the appropriate

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Financial Statements

This comprises of the Profit and Loss Account, Balance sheet, Cash Flow Statement and Schedule of Various Assets, Liabilities, Income and expenditure which have approved by the Board of the corporation under Indian Accounting Standard-1 related to "disclosure of Accounting policies"

3.2 Basis of measurement

The financial statements have been prepared on going concern concept under the historical cost convention and on the accrual basis of accounting except otherwise stated in conformity with the "Generally Accepted Accounting Principle (GAAP)".

3.3 Changes in Accounting policies

There are no changes in accounting policies.

3.4 Fund Flow mechanism

All payments are made directly to the contractors account for both local & foreign currency

3.5 Advances and other receivables

During FY 2015-16 an advance of Rs 23.09 Crore is paid to Wartsila Finland Oy, Finland and Wartsila India Pvt. Ltd against the expenditures.

3.6 Cash and cash equivalents

During the FY 2015-16 no Cash and cash balances are controlled by the entity

3.7 Accrued and other liabilities

Liabilities could not be assessed as the party have not submitted their bill.

3.8 Income

i) Income hasn't been generated from this project as the project is not still completed

ii) Free of cost office space, electricity and certain other services provided by the EA i.e APGCL are not valued and accordingly, are not recognized in these financial statements as income of the Project.

NAME OF THE COUNTRY: INDIA/ASSAM

IMPLEMENTING AND EXECUTING AGENCY: Assam Power Generation Corporation Limited[APGCL]

NAME OF THE ENTITY/PROJECT: Assam Power Sector Investment Program (Tranche-1)

ADB LOAN REFERENCE: 3140-IND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March'2016

3.9 Foreign currency transactions and translation

(a) Functional 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

Transactions in foreign currency are converted at the exchange rate prevailing at the date of transaction

3.10 Allocation of Common Costs

Common cost have been allocated in the ratio of total cost of each elements.

3.11 Interest Expense and Financial Charges

Interest and financial charges are not charged to the project account, and are paid by the Central Government directly to ADB

4. Funds Received from the Government

No Funds were received from Government of Assam during FY 2015-16

INR 000'

Current Year 2015-16	Prior Year 2014-15	Cumulative Year to date
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Government Counterpart funding
Amount Reimbursable to Government

Total

5. DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the the CGM(F&A) of APGCL on
20.09.2016

Name of the Executing Agency: Assam Power Generation Corporation Limited [APGCL]
 Name of the Implementing Agency: Assam Power Generation Corporation Limited [APGCL]
 Name of the Project: Assam Power Sector Investment Program (Tranche-1)

Loan/Grant No. 3140-IND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED : 31st March'2016

6. Funds Received from ADB

Loan agreement date 20th February'2015 and Loan effectiveness date 12th May'2015.

In INR '000				
ADB Source of Funds - Method of Withdrawal	Note Reference	During the Current Year	During the Previous Year	Cumulative Project to date
ADB Loan				
- By Reimbursement Method	6.1	4139		
- By Imprest Account ¹	6.2			
- By Direct Payment	6.3	242453		
- By Commitment Procedure	6.4			
ADB Loan Total				
ADB Grant	6.5			
ADB Loan and Grant Total		246592	0	0

¹ This should agree with the advances/replenishments net of refunds in Statement 6.2

6.1 Funds Received from ADB through Reimbursement Method

At annexure -1

Name of the Executing Agency: Assam Power Generation Corporation Limited [APGCL]

Name of the Implementing Agency: Assam Power Generation Corporation Limited [APGCL]

Name of the Project: Assam Power Sector Investment Program (Tranche-1)

Loan/Grant No. 3140-IND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2016

6.2 Reconciliation of the Imprest Account and the Bank Statement is given below

**STATEMENT OF IMPREST ACCOUNT
FOR THE YEAR/PERIOD ENDED XX, XXXX**

In INR '000

	Prior Year	Current Year
Balance brought forward from previous period		
Add:		
Advance ¹		
Replenishment received during the year/period ¹		
Interest earned		
Subtotal (A)	0	0
Deduct:		
Payments made during the year/period		
Replenishment/ Liquidation ¹		
Expenditure yet to be claimed		
Amount refunded during the year/period		
Closing Balance (B)	0	0
As per bank statement (copy attached)		

¹ Withdrawal application-wise references required

6.2.1 The US \$ equivalent notional amount held at the RBI in respect of the above Imprest Account balance is _____ US \$ (bank statement attached)

Not Applicable

Name of the Executing Agency: Assam Power Generation Corporation Limited[APGCL]

Name of the Implementing Agency: Assam Power Generation Corporation Limited[APGCL]

Name of the Project: Assam Power Sector Investment Program (Tranche-1)

Loan/Grant No.3140-IND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March'2016

			in INR '000
			Cumulative to
Current Year	Prior Year		Date

6.3 Details of Payments made directly by ADB are given below

At annexure -2

6.4 Details of payments made through commitment procedure

Not Applicable

6.5 Details of Grants

Not Applicable

Reimbursement Claimed against ADB Loan No.3140-IND

Sl No	Vendor	Invoice No.	Amount	Gross Amount	Income Tax	Net
1	TUV SUD South Asia Pvt Ltd	1532127134 dt. 30.01.15	3,181,800.00	3,181,800.00	318,180.00	2,863,620.00
2	Ernst & Young LLP	IINL0100249532 dt. 03.03.15	708,560.00	708,560.00	70,856.00	637,704.00
3	Ernst & Young LLP	IINL0100245538 dt. 03.02.15	708,560.00	708,560.00	70,856.00	637,704.00
		Total	4,598,920.00	4,598,920.00	459,892.00	4,139,028.00

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Deputy General Manager (F&A)
O/o the M.D., A.P.G.C.L.
Bhubaneswar, Odisha-751005

Sharma

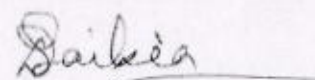
Deputy General Manager (F&A)
O/o the M.D., A.P.G.C.L.
Patna, Bihar, Guwahati-1

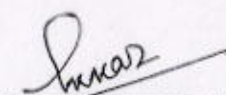
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Direct Payment from ADB against ADB Loan No.3140-IND

Sl No	Vendor	Invoice No.	Amount (Rs)	Amount in dollar/Euro	ST	Amount (Rs)	Equivalent Amount (Rs)	Income Tax	Net
1	Ernst & Young LLP	IINL0100265257 DT.16.6.15	1,417,120.00		198,397.00	1,615,517.00		141,712.00	1,473,805.00
2	PWC	416003357 dt.29-10-15		36,469.00	-		2,427,012.00	242,701.00	2,184,311.00
3	SUBHASISH DHAR	SDH/APGCL/02		106,932.00		-	7,092,800.00	709,280.00	6,383,520.00
4	TUV SUD South Asia Pvt Ltd	1532220387 dated 28.9.15	1,590,900.00			1,590,900.00		159,090.00	1,431,810.00
5	Wartsila Finland	90516678 dt.28-01-2016		2,002,169.00		-	148,282,839.00		148,282,839.00
6	Wartsila India Pvt. Ltd	APGCL/ADV/004/2016 dt.28-01-2016	7,163,851.00			7,163,851.00			7,163,851.00
7	Wartsila India Pvt. Ltd	APGCL/ADV/003/2016 dt.28-01-2016	7,781,977.00			7,781,977.00			7,781,977.00
8	Wartsila India Pvt. Ltd	APGCL/ADV/002/2016 dt.28-01-2016	14,022,474.00			14,022,474.00			14,022,474.00
9	Wartsila India Pvt. Ltd	APGCL/ADV/001/2016 dt.28-01-2016	53,728,853.00			53,728,853.00			53,728,853.00
		Total	85,705,175.00		198,397.00	85,903,572.00	157,802,651.00	1,252,783.00	242,453,440.00


 For the Manager (Accounts)
 To the M.D., APGCL
 Paltanbazar, Guwahati-1


 Deputy General Manager (F&A)
 Of the M.D., A.P.G.C.L.
 Paltanbazar, Guwahati-1

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कार्यालय महालेखाकार(लेखापरीक्षक)
**OFFICE OF THE ACCOUNTANT GENERAL
(AUDIT) ASSAM, BELGAUM**

गुवाहाटी-781 029
**ACCOUNTANT GENERAL
GUWAHATI-781 029**



No. FINAT/ASEB/EAP/2016-17/443

Dated: 27/12/2016

Audit Certificate

The Expenditure Statement/Financial Statements relating to the **ADB Assisted Assam Power Sector Enhancement Investment Programme (APSEIP) Loan No.2592-IND,2677-IND,2800-IND,3200-IND and 3410-IND for the year 2015-16** attached hereto have been audited in accordance with the regulations and standards of audit of the Comptroller and Auditor General of India and accordingly included such tests of accounting records, internal checks and controls, and other auditing procedures necessary to confirm.

- (a) that the resources were used for the purpose of the project;
- (b) that expenditure statements/financial statement are correct.

During the course of audit referred to above, Statement of Expenditure (Application No. ASEB/PMU/AUDIT/142/Pt-v/89,dated11-11-2016 for an amount of ₹ 17783.43Lakh i.e.for Cr No.2592-IND ₹3939.32 lakh ,for Cr No 2677-IND ₹7944.44 lakh , CrNo 2800-IND ₹1148.74 lakh for Cr No 3200-IND ₹2285.01 lakh and for Cr No 3410-IND IND ₹2465.92lakh respectively) and the connected documents were examined and these can be relied upon to support reimbursement under the aforesaid Loan/Credit agreement, Subject to observations, on overdrawal of fund of ₹28.21 lakh made by us during the course of audit, as detailed in Annexure attached.

On the basis of information and explanations that have been obtained as required and according to the best of our information as a result of the test audit, it is certified that the Expenditure Statement / Financial Statements read with the observation set out below represent a true and fair view of the implementation (and operation) of the project for the year 2015-16.

This certificate is issued without prejudice to CAG's right to incorporate any further /detailed audit observation if and when made in the Report of CAG of India for being laid before Parliament /State Legislature.

Audit observation attached herewith.

(S.S. DUDHWAL)
Sr. Deputy Accountant General/GS

CA

P. K. Sharma & Associates
CHARTERED ACCOUNTANTS

E-mail: pksharmaca@yahoo.com

E-mail: pksharmaca@gmail.com

Jagadishwar Palace

M.S.Road; Fancy Bazar; Guwahati-781001

☎: (0361) 2512008 (O); 2637551 (Fax), 2736841 (R)

Mobile: (+91) 98640 61068; 98640 18560

Auditor's Compliance Certificate

We have conducted the audit of accounts of ASSAM POWER GENERATION CORPORATION LIMITED, BIJULEE BHAWAN, GUWAHATI for the year ended 31st March, 2016 in accordance with the directions / sub-directions issued by the C & AG of India under Section 619 (3) (a) of the Companies Act, 1956 (read with Section 143(5) of The Companies Act 2013) and certify that we have complied with all the directions / sub-directions issued to us.

Place: Guwahati

Date: 25.08.2016

For P. K. Sharma & Associates
Chartered Accountants

FRN: 316044E


CA. Pranjal Kr. Agarwal: Partner
M. No. : 303034



CA

P. K. Sharma & Associates
CHARTERED ACCOUNTANTS

Place: Guwahati

Date: 25.08.2016

E-mail: pksharmaca@yahoo.com

E-mail: pksharmaca@gmail.com

Jagadishwar Palace

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Website: pksharmaassociates.icai.org.in

For P. K. Sharma & Associates
Chartered Accountants
FRN: 316044E


CA. Pranjal Agarwal: Partner
M. No. : 303034

