

# Audited Project Financial Statements

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Project Number: 47100

Loan Number: 3066

Period covered: 1 April 2014 to 31 March 2015

## IND: Madhya Pradesh Power Transmission and Distribution System Improvement Project

Prepared by Madhya Pradesh Poorva Kshetra Vidyut Vitaran Company Limited, Jabalpur

For the Asian Development Bank

Date received by ADB: 29 March 2016

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 Poorva Kshetra Vidyut Vitaran Company Limited, Jabalpur.



**MANOJ JAIN & Co.**

*Chartered Accountants*

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Wright Town, JABALPUR (M.P.)  
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### **AUDITOR'S CERTIFICATE**

To Whom So Ever It May Concern

1. We have audited the attached Project Account of Madhya Pradesh Power Sector Development project under Asian Development Bank loan accounts no. 2324-IND, 2347-IND, 2520-IND, 2732-IND, 3066-IND, 2830-IND, 2764-IND for the period from 01/04/2014 to 31/03/2015 of M/s Madhya Pradesh Kshetra Vidyut Vitaran Co. Ltd. Jabalpur. Maintenance of proper record of these Project Accounts are the responsibility of the Company's Management & Our responsibilities is to express an opinion on these Project Accounts based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Based on the records examined by us, as a result of test audit and on the basis of best of our information and explanation that have been obtained as required and according to the explanation provided by the management we hereby certifies that;
  - a) All external funds have been used in accordance with the conditions of the relevant legal agreement(loans /Grants Agreement ,the project Agreement and the minutes of Negotiations) and only for the purposes for which the financing was provided;
  - b) Counterpart funds wherever taken have been provided and provided and used in accordance with the relevant legal agreements and only for which they were provided;
  - c) Financial covenants of the loan agreement have been complied with *except installments and interest were not paid according to schedule given in respective loan agreements;*

**Branches :** Katni - C/o Kay Kay Engineers Corporation , Subhash Chowk, Katni - 483501  
Dindori - P.W.D.Road, Vardhman Saree, Dindori (M.P.) - 481 880.




- d) All necessary supporting documents, records, and accounts have been kept in respect of all project transaction; and
  - e) The project accounts as reported in **Annexure 1 to 10** of respective projects have been prepared in accordance with consistently applied government Accounting Standards and present fairly , in all material aspects , the financial situation of the project at the year end and resources and expenditures for the year ended on that date.
  - f) Due to Presentation of amount in Crores, difference in decimal figures of Opening balances are there which are accepted by us as per last audited statement.
4. On the basis of information and explanation that have been obtained as required and according to the best of our information, as a result of test audit, it is certified that the expenditure statement (Project Account) read with observations appended hereto, represent a true and fair view of the implementation of the project for the period upto March 2015.

Date: 29/02/2016  
Place: Jabalpur



**For MANOJ JAIN & Co.**  
(Chartered Accountant)  
FRN No.05192C

  
Pradeep Mishra  
Partner  
M.No.402922



**Madhya Pradesh Poorv Kshetra Vidyut Vitran Co. Ltd.**  
**Madhya Pradesh Power Transmission and Distribution System Improvement Project**  
**Loan/Grant No.: 3066**

**STATEMENT OF RECEIPTS & PAYMENTS**  
**REPORT FOR THE YEAR/PERIOD ENDED 31st March 2015**

Rupee In Crores.

Particulars	Notes	Current Year (2014-15)	Previous Year (2013-14)	Project to date
	1	2	3	4
Opening balance (A)		0.00	0.00	0.00
<b>Receipts</b>				
Funds received from Government		0.00	0.00	0.00
ADB Loan		39.48	0.00	39.48
ADB Grant		0.00	0.00	0.00
Co-financier 1 -State Bank of India		0.00	0.00	0.00
Co-financier 2 - PFC		0.99	0.00	0.99
Beneficiary contribution (if any)		6.77	2.12	8.89
<b>Total Receipts (B)</b>		<b>47.24</b>	<b>2.12</b>	<b>49.36</b>
<b>Total (C=A+B)</b>		<b>47.24</b>	<b>2.12</b>	<b>49.36</b>
<b>Payments</b>				
<b>Investment Costs</b>				
Civil Works		2.66	0.00	2.66
Mechanical and Equipment		37.31	1.87	39.18
Environment and Social Mitigation		0.00	0.00	0.00
<b>Consultants :</b>				
A. Project Management		0.01	0.02	0.03
B. Capacity Development				
Others		0.50	0.00	0.50
<b>Subtotal (D)</b>		<b>40.48</b>	<b>1.89</b>	<b>42.37</b>
<b>Recurrent Costs</b>				
Salaries		6.03	0.24	6.27
Accommodation		0.00	0.00	0.00
Equipment Operation and Maintenance		0.00	0.00	0.00
Others		0.00	0.00	0.00
<b>Subtotal (E)</b>		<b>6.03</b>	<b>0.24</b>	<b>6.27</b>
<b>Total Payments(D+E)</b>		<b>46.51</b>	<b>2.12</b>	<b>48.63</b>
<b>Financing Charges During Implementation</b>		0.73	0.00	0.73
<b>Total Project Cost (G=D+E+F)</b>		<b>47.24</b>	<b>2.12</b>	<b>49.36</b>
<b>Closing Balance (C-G)</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Note :** The Interest & Commitment Charges in 'Indian Rupees' is not available in ADB website, hence the same is calculated by the Company Using the LIBOR rate available in ADB website on interest due dates.



**Madhya Pradesh Poorv Kshetra Vidut Vitran Co. Ltd.**  
**Madhya Pradesh Power Transmission and Distribution System Improvement Project**  
**Loan/Grant No.: 3066**

**STATEMENT OF EXPENDITURE BY CATEGORY & FINANCIER**  
**FOR THE PERIOD ENDED 31st March 2015**

Rupee In Crores.

Particulars	ADB				Co-Financier			Benefeciary Contribution		Total Expenditure
	Percentage of financing 1	Actual Expenditure		Actual Expenditure		Actual Expenditure				
		Amount 2	% 3	Amount 4	% 5	Amount 6	% 7			
Investment Costs										
Civil Works		2.66	100.00		0.00		0.00	2.66		
Mechanical & Equipment		36.82	98.69	0.49	1.31		0.00	37.31		
Environment & Social Mitigation								0.00		
Consultants :										
A. Project Management		0.00	0.00	0.00	0.00	0.01	100.00	0.01		
B. Capacity Development								0.00		
Others		0.00	0.00	0.50	100.00	0.00	0.00	0.50		
Subtotal (A)		39.48	97.55	0.99	2.45	0.01	0.02	40.47		
Recurrent Costs										
Salaries		0.00	0.00	0.00	0.00	6.03	100.00	6.03		
Accommodations								0.00		
Equipment Operation and Maintenance								0.00		
Subtotal (B)		0.00	0.00	0.00	0.00	6.03	100.00	6.03		
Total Project Cost D=(A+B+C)		39.48		0.99		6.04		46.50		
% Total Project Cost			84.90		2.13		12.99			
Total Project Cost for prior year period (2013-2014)		0.00	0.00	0.00	0.00	2.12	100.00	2.12		



**Madhya Pradesh Poorv Kshetra Vidyut Vitran Co. Ltd.**  
**Madhya Pradesh Power Transmission and Distribution System Improvement Project**  
**Loan/Grant No.: 3066**

**STATEMENT OF DISBURSEMENT**  
**REPORT FOR THE YEAR/PERIOD ENDED 31st March 2015**

				Rupee In Crores.
Statement of Disbursement	Note	Current Year	Prior Period	Cumulative Project to Date
<b>ADB Fund claimed during the year</b>				
Reimbursement	6.1	0.00	0.00	39.48
Imprest Fund	6.2	0.00	0.00	0.00
Direct Payment	6.3	39.48	0.00	0.00
Commitment Letter	6.4	0.00	0.00	0.00
<b>Subtotal (A)</b>	<b>(A)</b>	<b>39.48</b>	<b>0.00</b>	<b>39.48</b>
		0		
<b>Total Expenditure made during the year (B)</b>	<b>(B)</b>	<b>47.24</b>	<b>2.12</b>	<b>49.36</b>
Less :		0.00	0.00	0.00
Expenditure not yet claimed	(C)	0.00	0.00	0.00
Borrower's share	(D)	7.76	2.12	8.89
<b>Total Eligible Expenditure claimed (B - C - D = E =A)</b>	<b>(E)</b>	<b>39.48</b>		<b>40.47</b>





**Madhya Pradesh Poorv Kshetra Vidyut Vitran Co. Ltd.**  
**Madhya Pradesh Power Transmission and Distribution System Improvement Project**  
**Loan/Grant No.: 3066**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR/PERIOD ENDED 31st March 2015**

**1 Project Nature and Activities**

- 1.1 Description of the Project : The Overall objective of the Madhya Pradesh Power Transmission and Distribution System Improvement Project is to increase capacity and operational efficiency in the electricity transmission and distribution system in the State.
- The nature of activities : The Project consist of the following components :
- Component A : Transmission System Improvement, comprising augmentation of substation capacity and transmission line lengths, and includes the provision of :
- i) Approximately 1,800 circuit-km of transmission lines.
  - ii) 2 new and 3 upgraded 400kV substations.
  - iii) 4 new and 5 upgraded 220kV substations.
  - iv) 26 new 132kV substations.
- Component B : Distribution System Improvement, comprising augmentation of substation capacity and distribution line lengths, and includes the provision of :
- i) Approximately 3,125 circuit-km of distribution lines.
  - ii) 149 new 33/11kV substations.
  - iii) 328 upgraded 33/11kV substations.
- Component C : Capacity building, comprising training for staff of MP Transco and the DISCOMs on such matters as Project management, procurement, monitoring and evaluation, financial management and safeguards, and the provision of related support and associated facilities, including a hostel and laboratory.
- Commencement date : 17th February 2014
- Expected completion date : 31st Dec.2018
- Mention location : The Project will be carried out at all the division of Madhya Pradesh Poorv Kshetra Vidyut Vitran Co. Ltd. (DISCOM-E)
- Brief nature of the project outputs : The aim of the Project is to improve Transmission system & Distribution System and Capacity Building in the State.

**2 STATEMENT OF COMPLIANCE :**

These financial statement have been prepared in accordance with approved accounting standards, as applicable in India.

**3 SIGNIFICANT ACCOUNTING POLICIES :**

**3.1 Financial Statements :**

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

**3.2 Basis of Measurement :**

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

**3.3 Changes in Accounting policies :**

There has been no change in the accounting policies for the preparation of the Project Financial Statements.

**3.4 Fund Flow Mechanism :**

The Executing Agency(EA) i.e. DISCOM-E works under "Direct Payment Procedure" i.e. The funds are paid directly by the ADB to the Contractors.

**3.5 Advance and other receivables :**

Advances given under the Project to the Successful Bidders are subsequently recovered from the Supply and Erection Bills of the Contractors. Likewise Mobilisation Advance of 10% of the Total Project Cost were given to the Successful Bidders and which were duly recovered from the succeeding Bills of the Bidders.

**3.6 Cash and cash Equivalents :**

As already pointed out in Point No. 3.4 Above Cash and Cash Equivalents with the Entity as at the end of the Project is NIL.



**3.7 Accrued and other liabilities :**

There is no major Liabilities which have been accrued under the cash basis policy.

**3.8 Income :**

1) Interest Income on Bank accounts are accounted for on Accrual Basis, if any.

**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, 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 :**

The Common Costs like Salary of the Executives/ Officer/ Employees of the Entity, the Consultants Fees etc. which are directly or indirectly involved in the execution of the ADB Projects are allocated proportionately on the basis of Total Cost incurred on a particular project vis-a-vis the total cost incurred on all the projects cumulatively.

**3.11 Interest Expenses and Financial Charges :**

Interest and Commitment Charges are accounted for on accrual basis.

**4 Funds Received from the Government :**

Rupees In Crores.		
Current Year	Prior Year	Cumulative Project to date
Government Counterpart funding Amount Reimbursable to Government  NIL		

**5 DATE OF AUTHORIZATION**

These financial statements have been authorized for issue by the .....of .....on





**Madhya Pradesh Poorv Kshetra Vidyut Vitran Co. Ltd.**  
**Madhya Pradesh Power Transmission and Distribution System Improvement Project**  
**Loan/Grant No.: 3066**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31.03.2015**

6 Funds Received from ADB

**Give key terms and conditions of the loan :**

- 1 Date of Loan Agreement : 17th February 2014
- 2 Effectiveness date : 21st March 2014
- 3 Key terms and conditions are as follows :

- 3.1 Disbursement schedule : The ADB shall make available the loan amount to the Borrower as requested by the Borrower under Direct Payment Procedure from time to time.

- 3.2 Commitment fee and Interest rates : Commitment charges is 0.15 % of full amount of the loan less amount withdrawn from time to time on yearly basis.  
Interest will paid on the principal amount of the loan withdrawn and outstanding from time to time at a rate for wach interest period equal to the sum of LIBOR and 0.60% less a credit of .20% as provided by the Loan Regulations.  
Interest and other charges on the loan is payable semiannually on 15th January and 15th July in each year.

In Crores.				
ADB Source of Fund-Method of Withdrawal	Note Reference	During the Current year	During the Previous year	Cumulative Project to date
ADB Loan				
-By Reimbursement Method	6.1	0.00	0.00	0.00
-By Imprest account <sup>1</sup>	6.2	0.00	0.00	0.00
- By Direct payment	6.3	39.48	0.00	39.48
- By commitment procedure	6.4	0.00	0.00	0.00
ADB Loan total		39.48	0.00	39.48
ADB Grant and	6.5	0.00	0.00	0.00
ADB Loan and Grant Total		39.48	0.00	39.48

6.1 Funds received from ADB through Reimbursement method

NIL

6.2 Details of Payment made by ADB through Imprest Account

Refer ANNEXURE 6

6.3 Details of Payment made by ADB through Direct Payment Method

Details are given below :

Amount (In Rs. Crores)					
Particulars			During the Current year	During the Previous year	Cumulative Project to date
- Mechanical and Equipment			36.82	0.00	36.82
- Civil works			2.66	0.00	2.66
			39.48	0.00	39.48

6.4 Details of Payment made through commitment procedure

Same as above

6.5 Details of Grants

NIL



**Madhya Pradesh Poorv Kshetra Vidyut Vitran Co. Ltd.**  
**Madhya Pradesh Power Transmission and Distribution System Improvement Project**  
**Loan/Grant No.: 3066**

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

**STATEMENT OF IMPREST ACCOUNT**  
**REPORT FOR THE YEAR/PERIOD ENDED 31st March 2015**

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

6.2.1 The US \$ equivalent notational amount held at the RBI in respect of the above Imprest balance is 0 US \$



**Madhya Pradesh Poorv Kshetra Vidyut Vitran Co. Ltd**  
**Madhya Pradesh Power Transmission and Distribution System Improvement Project**  
**Loan No. 3066**

**DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE**  
**FOR THE YEAR ENDED 31st MARCH 2015**

Rupee In Crores.								
W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing %	Net Eligible Expenses	Amount Reimbursed	Imprest Fund Replenished/ Liquidated	Total Disbursement Using SOE Procedure
1	2	3	4	5	6(4*5)	7	8	7+8=9
00001	1	Civil Works	2.66	100.00	2.66	2.66	0.00	2.66
	2	Mechanical and Equipment	37.31	98.69	36.82	36.82	0.00	36.82
00002	1	Consultant	0.01	0.00	0.00	0.00	0.00	0.00
	2	Salaries	6.03	0.00	0.00	0.00	0.00	0.00
	3	Accommodation	0.00	0.00	0.00	0.00	0.00	0.00
00005	1	Environment and Social Mitigation	0.00	0.00	0.00	0.00	0.00	0.00
	2		0.00	0.00	0.00	0.00	0.00	0.00
		Total	46.01	85.81	39.48	39.48	0.00	39.48
		Total for Previous Year 2013-14	2.12	0.00	0.00	0.00	0.00	0.00





## Madhya Pradesh Poorv Kshetra Vidyut Vitran Co. Ltd.

Madhya Pradesh Power Transmission and Distribution System Improvement Project

Loan/Grant No.: 3066

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31st March 2015

If any of the amounts given on the  
Statements of Receipts and payments  
required further detail or Break-down,  
provide this here againsts relevant Note

Rupee In Crores.		
Current Year	Prior Year	Cumulative Project to date
NIL		



**Madhya Pradesh Poorv Kshetra Vidyut Vitran Co. Ltd.**  
**Madhya Pradesh Power Transmission and Distribution System Improvement Project**  
**Loan/Grant No.: 3066**

**STATEMENT OF APPROPRIATION Vs. ACTUAL**

Cost Categories	For the Current Year Ended 31st March 2015				For the Current Year Ended 31st March 2014				Cumulative to Date		
	Budgeted Expenditures	Actual Expenditures	Utilization Percentage	Variance	Budgeted Expenditures	Actual Expenditures	Utilization Percentage	Variance	Budgeted Expenditures	Actual Expenditures	Utilization Percentage
<b>Investment Costs</b>											
Civil Works	2.66	2.66		0.00	0.00	0.00		0.00	2.66	2.66	
Mechanical and Equipment	37.31	37.31	100	0.00	1.87	1.87	100	0.00	39.18	39.18	100
Environment and Social Mitigation	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00	
<b>Consultants :</b>											
A. Project Management	0.01	0.01	100	0.00	0.02	0.02	100	0.00	0.03	0.03	100
B. Capacity Development	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00	
Others (Tax & Duties)	0.50	0.50		0.00	0.00	0.00		0.00	0.50	0.50	
<b>Subtotal (D)</b>	<b>40.48</b>	<b>40.48</b>		<b>0.00</b>	<b>1.89</b>	<b>1.89</b>		<b>0.00</b>	<b>42.37</b>	<b>42.37</b>	
<b>Recurrent Costs</b>											
Salaries	6.03	6.03	100	0.00	0.24	0.24	100	0.00	6.27	6.27	100
Accommodation	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00	
Equipment Operation and Maintenance	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00	
Others	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00	
<b>Subtotal (E)</b>	<b>6.03</b>	<b>6.03</b>		<b>0.00</b>	<b>0.24</b>	<b>0.24</b>		<b>0.00</b>	<b>6.27</b>	<b>6.27</b>	
<b>Total Payments(D+E)</b>	<b>46.51</b>	<b>46.51</b>		<b>0.00</b>	<b>2.12</b>	<b>2.12</b>		<b>0.00</b>	<b>48.64</b>	<b>48.64</b>	
<b>Financing Charges During Implementation (F)</b>	<b>0.73</b>	<b>0.73</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.73</b>	<b>0.73</b>	
<b>Total Project Cost (G=D+E+F)</b>	<b>47.24</b>	<b>47.24</b>		<b>0.00</b>	<b>2.12</b>	<b>2.12</b>		<b>0.00</b>	<b>49.37</b>	<b>49.37</b>	
<b>Grand total of expenditures in USD \$</b>	<b>0.75</b>	<b>0.75</b>	<b>100.00</b>	<b>0.00</b>	<b>0.04</b>	<b>0.04</b>	<b>100.00</b>	<b>0.00</b>	<b>0.79</b>	<b>0.79</b>	<b>100.00</b>

Note : (i) Actual Expenditures is taken at par with Budgeted Expenditures as Budgeted Estimate againsts above heads is not provided by ADB.

(ii) Total Expenditures for F.Y.2014-15 have been converted into USD \$ available in ADB LFIS website as on 31st March 2015. The exchange rate is 1 USD \$ =Rs.62.92 and exchange rate for F.Y.2013-14 is 1 USD\$ =Rs.60.20.



**Madhya Pradesh Poorv Kshetra Vidyut Vitran Co. Ltd.**  
**Madhya Pradesh Power Transmission and Distribution System Improvement Project**  
**Loan/Grant No.: 3066**

**EXPENDITURE BY OUTPUT COMPONENTS**

	Prior Period	Unallocable Common Costs		Out Put 1		Total expenditure		
		Current Year	Cum to date	Period Period	Current Year	Cum to date	Period Period	Cum to date
<b>Investment Costs :</b>								
Civil Works	0.00	0.00	0.00	0.00	2.66	2.66	0.00	2.66
Mechanical and Equipment	0.00	0.00	0.00	1.87	37.31	39.18	1.87	39.18
Environment and Social Mitigation								
<b>Consultants :</b>								
A. Project Management	0.02	0.01	0.03	0.00	0.00	0.00	0.02	0.03
B. Capacity Development								
Others (Tax & Duties)	0.00	0.00	0.00	0.00	0.50	0.50	0.00	0.50
<b>Subtotal (A)</b>	<b>0.02</b>	<b>0.01</b>	<b>0.03</b>	<b>1.87</b>	<b>40.47</b>	<b>42.34</b>	<b>1.89</b>	<b>42.37</b>
<b>Recurrent Costs</b>								
Salaries	0.24	6.03	6.27	0.00	0.00	0.00	0.24	6.27
Accommodation								
Equipment Operation and Maintenance								
<b>Subtotal (B)</b>	<b>0.24</b>	<b>6.03</b>	<b>6.27</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.24</b>	<b>6.27</b>
<b>Total Cost(C=A+B)</b>	<b>0.25</b>	<b>6.04</b>	<b>6.30</b>	<b>1.87</b>	<b>40.47</b>	<b>42.34</b>	<b>2.12</b>	<b>48.64</b>
<b>% Total Project Cost</b>	<b>11.95</b>	<b>12.99</b>	<b>12.96</b>	<b>88.05</b>	<b>87.01</b>	<b>87.04</b>	<b>100.00</b>	<b>100.00</b>

NOTE :- i) Salary and fund transferred to RAOs for depositing Tax liabilities & payment to third parties have been considered as unallocable cost.  
 ii) Total work done against this loan has been considered as Output.





**M.P. POORV KSHETRA VIDYUT VITARAN CO. LTD.****CIN: U40109MP2002SGC015120****Registered Office: Block No.7, Shakti Bhawan, Rampur, Jabalpur****Website: [www.mpez.co.in](http://www.mpez.co.in) , Fax No. 0761- 2660128****Management Assertion Letter**

To,

**M/s Manoj Jain & Co.,  
Chartered Accountants,  
1st Floor, Nariman Centre,  
Wright Town, Jabalpur.**

This assertion letter is provided in connection with your audit of the financial statement of the ADB Project against **Loan no.3066** for the year ended **31<sup>st</sup> march 2015**. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the accrual basis of accounting followed by the Government of India, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

- The project financial statements are free of material misstatements, including omissions.
- Project funds have been used for the purposes for which they were provided.
- Project expenditures are 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 or that could have a materials effect on the project financial statements.
- We have made available to you all books of account and supporting documentation relation to the project.
- The project has complied with the conditions of all relevant legal agreements, including the Financing Agreement, the Project Agreement, the Project Appraisal Document, the Minutes of Negotiations, and the Borrower's Project Implementation Plan.

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(Project Director/ Chief Executive Officer)

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(Chief Finance Officer/ Senior Finance Officer)