

Audited Project Financial Statements

Project Number: 47100

Loan Number: 3066

Period covered: 1 April 2013 to 31 March 2014

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: 27 October 2014

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.

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 account no.2324-IND, 2347-IND, 2520-IND, 2732-IND, 3066-IND, 2830-IND, 2764-IND for the period from 01/04/13 to 31/03/14 of M/s Madhya Pradesh Poorv 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 explanations 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 agreements (loan/ Grant 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 used in accordance with the relevant legal agreements and only for the purposes for which they were provided ;
- c) Financial covenants of the loan agreement have been complied with *except instalments and interest were not paid according to schedule given in respective loan agreements ;*



Rahul Kumar Jain

- 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 of resources and expenditures for the year ended on that date .

4. 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 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 2014.

Date: 08-10-14
Place: Jabalpur



For: Vijay Ram Behari & Co.
(Chartered Accountant)

FRN No. 007191C

CA. Rahul Kumar Jain
(Partner)

M. No. 401516

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 2014

Rupee In Crores.

| Particulars | Notes 1 | Current Year (2013-14) 2 | Project to date |
|--|------------|--------------------------------|-----------------|
| Opening balance (A) | | 0.00 | 0.00 |
| Receipts | | | |
| Funds received from Government | | 0.00 | 0.00 |
| ADB Loan | | 0.00 | 0.00 |
| ADB Grant | | 0.00 | 0.00 |
| Co-financier 1 -State Bank of India | | 0.00 | 0.00 |
| Co-financier 2 | | 0.00 | 0.00 |
| Beneficiary contribution (if any) | | 2.12 | 2.12 |
| Total Receipts (B) | | 2.12 | 2.12 |
| Total (C=A+B) | | 2.12 | 2.12 |
| Payments | | | |
| Investment Costs | | | |
| Civil Works | | 0.00 | 0.00 |
| Mechanical and Equipment | | 1.87 | 1.87 |
| Environment and Social Mitigation | | 0.00 | 0.00 |
| Consultants : | | | |
| A. Project Management | | 0.02 | 0.02 |
| B. Capacity Development | | | |
| Others | | 0.00 | 0.00 |
| Subtotal (D) | | 1.89 | 1.89 |
| Recurrent Costs | | | |
| Salaries | | 0.24 | 0.24 |
| Accommodation | | 0.00 | 0.00 |
| Equipment Operation and Maintenance | | 0.00 | 0.00 |
| Others | | 0.00 | 0.00 |
| Subtotal (E) | | 0.24 | 0.24 |
| Total Payments(D+E) | | 2.12 | 2.12 |
| Financing Charges During Implementation | | 0.00 | 0.00 |
| Total Project Cost (G=D+E+F) | | 2.12 | 2.12 |
| Closing Balance (C-G) | | 0.00 | 0.00 |

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.


Joint Director
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur


Chief Financial Officer
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur




Madhya Pradesh Poorv Kshetra Vidyut 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 2014

| Particulars | ADB | | | | Co-Financier | | Beneficiary Contribution | | Total Expenditure |
|-------------------------------------|-------------------------|--------------------|------|--------------------|--------------|--------------------|--------------------------|--------|-------------------|
| | Percentage of financing | Actual Expenditure | | Actual Expenditure | | Actual Expenditure | | | |
| | | 1 | 2 | 3 | Amount | % | Amount | % | |
| | | | | | | | | | |
| Investment Costs | | | | | | | | | |
| Civil Works | | | | | | | | | |
| Mechanical & Equipment | | | | 0.00 | | | | | 0.00 |
| Environment & Social Mitigation | | | | | | 0.00 | | 1.87 | 1.87 |
| Consultants : | | | | | | | | | 0.00 |
| A. Project Management | | | | 0.00 | | 0.00 | | 0.02 | 0.02 |
| B. Capacity Development | | | | | | | | | 0.00 |
| Others | | | | | | | | | 0.00 |
| Subtotal (A) | | | | 0.00 | | 0.00 | | 1.89 | 1.89 |
| Recurrent Costs | | | | | | | | | |
| Salaries | | | | | | | | | |
| Accommodations | | | | 0.00 | | 0.00 | | 0.24 | 0.24 |
| Equipment Operation and Maintenance | | | | | | | | | 0.00 |
| Subtotal (B) | | | | 0.00 | | 0.00 | | 0.24 | 0.24 |
| Total Project Cost D=(A+B+C) | | | | 0.00 | | 0.00 | | 2.12 | 2.12 |
| % Total Project Cost | 0.00 | | 0.00 | | | 0.00 | | 100.00 | |

Joint Director
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur


M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur





Annexure 3

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 2014

| | | | Rupee In Crores. |
|--|------------|--------------|----------------------------|
| Statement of Disbursement | Note | Current Year | Cumulative Project to Date |
| ADB Fund claimed during the year | | | |
| Reimbursement | 6.1 | 0.00 | 0.00 |
| Imprest Fund | 6.2 | 0.00 | 0.00 |
| Direct Payment | 6.3 | 0.00 | 0.00 |
| Commitment Letter | 6.4 | 0.00 | 0.00 |
| Subtotal (A) | (A) | 0.00 | 0.00 |
| Total Expenditure made during the year (B) | (B) | 2.12 | 2.12 |
| Less : | | 0.00 | 0.00 |
| Expenditure not yet claimed | (C) | 0.00 | 0.00 |
| Borrower's share | (D) | 2.12 | 2.12 |
| Total Eligible Expenditure claimed (B - C - D = E =A) | (E) | 0.00 | 0.00 |


Joint Director
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur


Financial Officer
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur



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 2014

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 : | <p>The Project consist of the following components :</p> <p>Component A : Transmission System Improvement, comprising augmentation of substation capacity and transmission line lengths, and includes the provision of :</p> <p>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.</p> <p>Component B : Distribution System Improvement, comprising augmentation of substation capacity and distribution line lengths, and includes the provision of :</p> <p>i) Approximately 3,125 circuit-km of distribution lines. ii) 149 new 33/11kV substations. iii) 328 upgraded 33/11kV substations.</p> <p>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.</p> |
| 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.


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V. V. Co. Ltd., Jabalpur


Chief Financial Officer
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur

3.7 Accrued and other liabilities :

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

3.8 Income :

I) 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 |
|--------------|------------|-------------------------------|
| NIL | | |

Government Counterpart funding
Amount Reimbursable to Government

5 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by theofon

Joint Director
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur

Chief Financial Officer
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur



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

NOTES TO THE FINACIAL STATEMENTS
FOR THE YEAR ENDED 31.03.2014

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 | Cumulative Project to date |
|---|----------------|-------------------------|----------------------------|
| ADB Loan | | | |
| -By Reimbursement Method | 6.1 | 0.00 | 0.00 |
| -By Imprest account ¹ | 6.2 | 0.00 | 0.00 |
| - By Direct payment | 6.3 | 0.00 | 0.00 |
| - By commitment procedure | 6.4 | 0.00 | 0.00 |
| ADB Loan total | | 0.00 | 0.00 |
| ADB Grant and | 6.5 | 0.00 | 0.00 |
| ADB Loan and Grant Total | | 0.00 | 0.00 |

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 | | Nil | Nil | Nil |

6.4 Details of Payment made through commitment procedure

Same as above

6.5 Details of Grants

NIL

Joint Director
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V. V. Co. Ltd., Jabalpur

Chief Financial Officer
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur

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 2014

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

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


Joint Director
P. Poorv Kshetra
V. Co. Ltd., Jabalpur


M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur



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 2014

| | | | | | | | 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 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 2 | Mechanical and Equipment | 1.87 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 00002 | 1 | Consultants | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 2 | Salaries | 0.24 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 3 | Accommodation | 0.00 | 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 | 0.00 |
| | 2 | Equipment Operation and Maintenance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | Total | 2.12 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Joint Director
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur


Chief Financial Officer
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur

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 2014**

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 | | |


Joint Director
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Chief Financial Officer
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur



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

| Ruppee In Crores. | | | | | | | | |
|---|--|---------------------|------------------------|----------|-----------------------|---------------------|------------------------|----------|
| Cost Categories | 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 |
| | | | | | | | | |
| Investment Costs | | | | | | | | |
| Civil Works | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | | 0.00 |
| Mechanical and Equipment | 1.87 | 1.87 | 100 | 0.00 | 1.87 | 1.87 | 100 | 0.00 |
| Environment and Social Mitigation | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | | 0.00 |
| Consultants : | | | | | | | | |
| A. Project Management | 0.02 | 0.02 | 100 | 0.00 | 0.02 | 0.02 | 100 | 0.00 |
| B. Capacity Development | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | | 0.00 |
| Others (Tax & Duties) | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | | 0.00 |
| Subtotal (D) | 1.89 | 1.89 | | 0.00 | 1.89 | 1.89 | | 0.00 |
| Recurrent Costs | | | | | | | | |
| Salaries | 0.24 | 0.24 | 100 | 0.00 | 0.24 | 0.24 | 100 | 0.00 |
| Accommodation | 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 |
| Others | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | | 0.00 |
| Subtotal (E) | 0.24 | 0.24 | | 0.00 | 0.24 | 0.24 | | 0.00 |
| Total Payments(D+E) | 2.12 | 2.12 | | 0.00 | 2.12 | 2.12 | | 0.00 |
| Financing Charges During Implementation (F) | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | | 0.00 |
| Total Project Cost (G=D+E+F) | 2.12 | 2.12 | | 0.00 | 2.12 | 2.12 | | 0.00 |
| Grand total of expenditures in USD \$ | 0.04 | 0.04 | 100.00 | 0.00 | 0.04 | 0.04 | 100.00 | 0.00 |

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 have been converted into USD \$ available in ADB LFIS website as on 31st March 2014. The exchange rate is 1 USD \$ = Rs.60.20 .

Joint Director
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur

Chief Financial Officer
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur

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

| | Unallocable Common Costs | | Out Put 1 | | Total expenditure | |
|-------------------------------------|--------------------------|--------------|--------------|--------------|-------------------|---------------|
| | Current Year | Cum to date | Current Year | Cum to date | Current Year | Cum to date |
| Investment Costs : | | | | | | |
| Civil Works | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Mechanical and Equipment | 0.00 | 0.00 | 1.87 | 1.87 | 1.87 | 1.87 |
| Environment and Social Mitigation | | | | | | |
| Consultants : | | | | | | |
| A. Project Management | 0.02 | 0.02 | 0.00 | 0.00 | 0.02 | 0.02 |
| B. Capacity Development | | | | | | |
| Others (Tax & Duties) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal (A) | 0.02 | 0.02 | 1.87 | 1.87 | 1.89 | 1.89 |
| Recurrent Costs | | | | | | |
| Salaries | 0.24 | 0.24 | 0.00 | 0.00 | 0.24 | 0.24 |
| Accommodation | | | | | | |
| Equipment Operation and Maintenance | | | | | | |
| Subtotal (B) | 0.24 | 0.24 | 0.00 | 0.00 | 0.24 | 0.24 |
| Total Cost(C=A+B) | 0.25 | 0.25 | 1.87 | 1.87 | 2.12 | 2.12 |
| % Total Project Cost | 11.95 | 11.95 | 88.05 | 88.05 | 100.00 | 100.00 |

Joint Director
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur

Chief Financial Officer
M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur

**M.P. POORV KSHETRA VIDYUT VITARAN CO. LTD.**

Block No.7, Shakti Bhawan, Rampur, Jabalpur

Fax No. 0761- 2660128

Management Assertion Letter

To

Date: 08/10/2014

M/s Vijay Ram Behari & Co.
Chartered Accountants
Chamber No.8 (2nd Floor)
Centre Plaza, Naudara Bridge,
Napier Town, Jabalpur (M.P.)
482001

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 **31st march 2014**. 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.

(Project Director/ Chief Executive Officer)

(Chief Finance Officer/ Senior Finance Officer)

M. P. Poorv Kshetra
V. V. Co. Ltd., Jabalpur