

Audited Project Financial Statements

Project Number: 37143-033

Loan Number: 3073

Period covered: 1 April 2015 to 31 March 2016

IND: North Eastern State Roads Investment Program – Tranche 2

Prepared by Public Works Department, Mizoram

For the Asian Development Bank

Date received by ADB: 17 January 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 Ministry of Development of North Eastern Region and State of Mizoram.

Project Director,
Project Implementation Unit
Public Works Department
Tuikhuah Tlang : Aizawl
Mizoram - 796 001



Mizoram State Roads Project

Phone No.0389 -2324001 (O)

Fax No. 0389 -2324510

GOVERNMENT OF MIZORAM

OFFICE OF THE CHIEF ENGINEER (ROADS) PWD : MIZORAM AIZAWL

No. NESRIP-02/ADB/PIU-55/2015/18

Dated Aizawl, the 10th January, 2017.

To,

Shri J.K.Sinha
The Joint Secretary,
MDoNER, Govt. of India,
Vigyan Bhawan Annexe, Maulana Azad Road,
New Delhi-110011



Subj. : *Submission of Audit Certificate in respect of ADB assisted NESRIP project-2(Loan No.3073-IND).*

Sir,

I have the honour to submit herewith copy of Audit Certificate in respect of ADB assisted NESRIP project-2(Loan No.3073-IND)-Improvement and Upgradation of Serchhip-Buarpui Road for the year 2015-2016 for your kind information.

Enclo :

1. Letter No.AG-MIZ/G&SS/AC-PIU/2016-17 dt.05.01.2017
2. Audit Certificate including Financial Statement for the year ended 31.03.2016

Yours faithfully,

(LALRINKIMA HNAME)

Project Director,
Project Implementation Unit, PWD.,
Aizawl : Mizoram

No. NESRIP-02/ADB/PIU-55/2015/18 'A'

Dated Aizawl, the 10th January, 2017.

Copy to:-

1. Mr. Anil Motwani, Team Leader, Transport /Mission Leader, India Resident Mission, ADB, 4 San Martin Marg, Chanakya Puri, New Delhi, 110021, India.
2. Mr. Jagir Kumar, Senior Project Officer (Transport), ADB, India Resident Mission, ADB, 4 San Martin Marg, Chanakya Puri, New Delhi, 110021, India.


Project Director,
PIU, PWD.


10/01/17



कार्यालय महालेखाकार, मिजोराम,
आइजोल - 796 001

OFFICE OF THE
ACCOUNTANT GENERAL,
MIZORAM, AIZAWL - 796 001
Phone No: 0389-2336434, Fax: 0389-2333434.
No: AG-MIZ/G&SS/AC-PIU/2016-17
Dated: 05.01.2017

To

The Project Director
Project Implementation Unit (PIU)
PWD, Mizoram, Aizawl.

Subject: Audit Certificate in respect of ABD assisted NESRIP project-2 (Loan No.3073-IND)

Sir,

I am to enclose herewith Audit Certificate and Audit Report (in duplicate) in respect of expenditure incurred by your department towards ADB assisted Improvement & Upgradation of Serchhip to Burapui Road during 2015-16. No Management letter is issued.

This Audit Certificate is issued without prejudice to the Comptroller and Auditor General of India's right to incorporate any further/Detailed audit observation, if any, when made in the report of the Comptroller and Auditor General of India for being laid before the Parliament/State Legislature.

Please acknowledge the receipt.

Enclo: As Stated

Yours Faithfully

Sr. Deputy Accountant General

Dated: 05.01.2017

38 - ADB
FMS/ADA
05.01/17
Memo No. AG-MIZ/G&SS/AC-PIU/2016-17/
Copy forwarded for information to:

1. The Director, Department of Economic Affairs, Ministry of Finance, Govt. of India.

Sr. Deputy Accountant General



सत्यमेव जयते

कार्यालय महालेखाकार, मिजोराम,
आइजोल - 796 001

**OFFICE OF THE
ACCOUNTANT GENERAL,
MIZORAM, AIZAWL - 796 001**
Phone No: 0389-2336434, Fax: 0389-2333434.
No: AG-MIZ/G&SS/AC-PIU/2016-17/
Dated: 05.01.2017

AUDIT CERTIFICATE

The Expenditure Statement/Financial Statements relating to the project "ADB assisted Improvement and Upgradation of Serchhip to Buarpui Road" (Credit No. 3073-IND) 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 are used for the purpose of the project; and
- b) That the expenditure Statements/financial statements are correct.

During the course of audit referred to above, Statement of Expenditure of ₹ 996.88 lakhs and the connected documents were examined and these can be relied upon to support reimbursement under the aforesaid loan/credit agreement.

On the basis of the information and explanation that we have 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 represent a true and fair view of the implementation (and operation) of the project for the year 2015-16.

Sr. Deputy Accountant General

Report of the Comptroller and Auditor General of India

To

**The Project Director
Project Implementation Unit (PIU)
PWD, Mizoram, Aizawl.**

Report on the Project Financial Statements

We have audited the accompanying financial statements of Improvement and Upgradation of Serchhip to Buarpui Road Programme financed under Asian Development Bank Loan No. 3073-IND which comprise Statement of Receipts and Payments, the Statement of Expenditure by Category and Financier, the Statement of Disbursement for the year ended 31st March 2016. These financial statements are the responsibility of Project Management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with the auditing standards promulgated by the Comptroller and Auditor General of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. Our audit examines, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the sources and application of funds of Improvement and Upgradation of Serchhip to Buarpui Road Programme, Loan No. 3073-IND for the year ended 31st March 2016 in accordance with Government of India accounting standards.

In addition, in our opinion;

- (a) Proceeds of the loan from ADB have been utilized for the purposes as per ADB Loan/Agreement.
- (b) Financial covenants in the loan agreement [ADB assisted Improvement and Upgradation of Serchhip to Buarpui Road Programme , Loan No. 3073-IND dated 17th February 2014] have been complied with.

(c)(i)(a) With respect to SOEs, adequate supporting documentation has been maintained to support claims to the Asian Development Bank for reimbursements of expenditure incurred; and (b) expenditure of ₹ 9,96,88,000 are eligible for financing under the Loan Agreement.

(ii)(a) The Imprest Accounts give a true and fair view of the receipts collected and payments made during the year ended 2015-16 and (b) these receipts and payments support Imprest Account liquidations/replenishments during the year.

This report is issued without prejudice to CAG's right to incorporate the audit observations in the Report of CAG of India for being laid before Parliament/State Legislature.



Sr. Deputy Accountant General

O/o the Accountant General (Audit)

Mizoram, Aizawl.

Dated: 05 January 2017

Project Implementation Unit, Chief Engineers Road,
Public Works Departments, Aizawl, Mizoram
Project: North Eastern State Roads Investment Program – Tranche 2
Loan/Grant No.: 3073-IND

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

In INR (in lacs)

Particulars	Note Ref.	During Current Period/Year 31.03.2016	During Previous Period/Year 31.03.2015	Cummulative Project to Date
Opening Balance (A)				
a. Cashbook		0.42	0.42	0.42
b. Treasury Cheque		489.05	0.00	0.00
Receipts:				
Fund Received from Government:		2610.53	1799.98	4410.51
ADB Loan:				
ADB Grant:				
Co-Financier 1:				
Co-Financier 2:				
Beneficiary Contribution (if any):				
Other receipts such as interest income, sale from asset disposal etc.:				
Total Receipts (B)		2610.53	1799.98	4410.51
Total (C=A+B)		3100.00	1800.40	4410.93
Payments:				
Investment Cost:				
Civil Works		624.54	700.00	1324.54
Mechanical and Equipment		0.00	0.00	0.00
Environment and Social Mitigation		0.00	0.00	0.00
Consultants (inc. USD)				
a. Project Management:		0.00	0.00	0.00
b. Capacity Development:		0.00	0.00	0.00
c. Construction Supervision:		296.13	82.49	376.82
Others: L.A. & R&R, Utility Shifting, Forest Clearance, NGO Consultants, PIU Cost etc.:		76.19	528.44	604.63
Subtotal (D)		996.86	1310.93	2307.79
Recurrent Costs:				
Salaries:		0.00	0.00	0.00
Accommodation				
Equipment Operation and Maintenance				
Others		0.02	0.00	0.02
Subtotal (E)		0.02	0.00	0.02
Total Payments		996.88	1310.93	2307.81
Financing Charges During Implementation (F)		0.00	0.00	0.00
Total Project Cost (G=D+E+F)		996.88	1310.93	2307.81
Closing Balance (C-G)				
a. Cashbook		-2.95	0.42	-2.95
b. Treasury Cheques		2106.07	489.05	2106.07

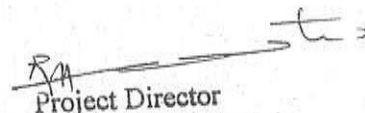
Project Director
Project Implementation Unit
PWD : Mizoram.

Project Implementation Unit, Chief Engineers Road,
Public Works Departments, Aizawl, Mizoram
Project: North Eastern State Roads Investment Program – Tranche 2
Loan/Grant No.: 3073-IND

STATEMENT OF EXPENDITURE BY CATEGORY AND FINANCIER
REPORT FOR THE YEAR/PERIOD ENDED 31.03.2016

In INR (in lacs)

Particulars	ADB			Co-Financier		Government		Total Expendit ure
	%ge	Actual Exp.		Actual Exp.		Actual Exp.		
		Amount	%ge	Amount	%ge	Amount	%ge	
Investment Cost:								
Civil Works	86.5	540.22	86.5	0.00	0	84.32	13.5	624.54
Mechanical and Equipment								0.00
Environment and Social Mitigation								0.00
Consultants (inc. USD)								0.00
a. Project Management:								0.00
b. Capacity Development:								0.00
c. Construction Supervision:	100	296.13	100	0.00	0	0.00	0	296.13
Others: L.A. & R&R, Utility Shifting, Forest Clearance, NGO Consultants, PIU Cost etc.:	0	0.00	0	0.00	0	76.19	100	76.19
Subtotal (A)		836.35		0.00		160.51		996.86
Recurrent Costs:								
Salaries:								0.00
Accommodation								
Equipment								
Operation and Maintenance								
Others	0	0.00	0	0.00	0	0.02	100	0.02
Subtotal (B)		0.00		0.00		0.02		0.02
Total Cost (C=A+B)		836.35		0.00		160.53		996.88
%ge of Total Project Cost		4.98		0		0.96		5.94
Total Project Cost for last Year		687.99		0.00		622.94		1310.93



 Project Director
 Project Implementation Unit
 PWD : Mizoram.

Project Implementation Unit, Chief Engineers Road,
Public Works Departments, Aizawl, Mizoram
Project: North Eastern State Roads Investment Program – Tranche 2
Loan/Grant No.: 3073-IND
STATEMENT OF DISBURSEMENT
REPORT FOR THE YEAR/PERIOD ENDED 31.03.2016

In INR (in lacs)

Particulars	Note Ref.	During Current Period/Year 31.03.2016	During Previous Period/Year 31.03.2015	Cummulative Project to Date
ADB Fund Claimed during the Year				
Reimbursement:*		1247.70	0.00	1247.70
Imprest Fund:				
Direct Payment:				
Commitment Letter:				
SubTotal (A)		1247.70	0.00	1247.70
Total Expenditure made during the Year: (B)		996.88	1310.93	2307.81
Add: Previous Year unclaimed amount claimed in this year (B1)		687.99	0.00	687.99
Less: Expenditure not yet claimed: (C)		276.64	687.99	964.63
Borrower's Share: (D)		160.53	622.94	783.47
Total Eligible Expenditure Claimed: (E) (B+B1-C-D=E=A)		1247.70	0.00	1247.70

*Under Reimbursement, apart from INR, a disbursement of USD 198082.74 is included. Foreign Exchange rate of INR 66.6380/USD is considered for the same.


 Project Director
 Project Implementation Unit
 PWD : Mizoram.

Project Implementation Unit,
Chief Engineer Roads,
Public Works Department,
Aizawl, Mizoram
Loan No. : 3073-IND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31.03.2016

1. Project Nature and Activities

- 1.1 *The objective of the Investment Program(NESRIP) and the Project is to improve mobility and accessibility in the North Eastern region of India. The Project comprises 5 Subprojects for the reconstruction or upgrading of about 236 km of State road sections. One of the Subproject, from Serchhip to Buarpui Road (55.0km) (MZ02)in the State of Mizoram is implemented through Project Implementation Unit, Public Works Department, Aizawl, Mizoram. Project agreement effective date of commencement is 17th February, 2014 and expected date of completion is 30th September, 2019.*

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in India. This refers to the cash basis of accounting applied with due regard to the General Financial Rules, PWD Codes, Treasury Codes, and similar financial rules and codes as are in effect and applicable to the operations of the Project.

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

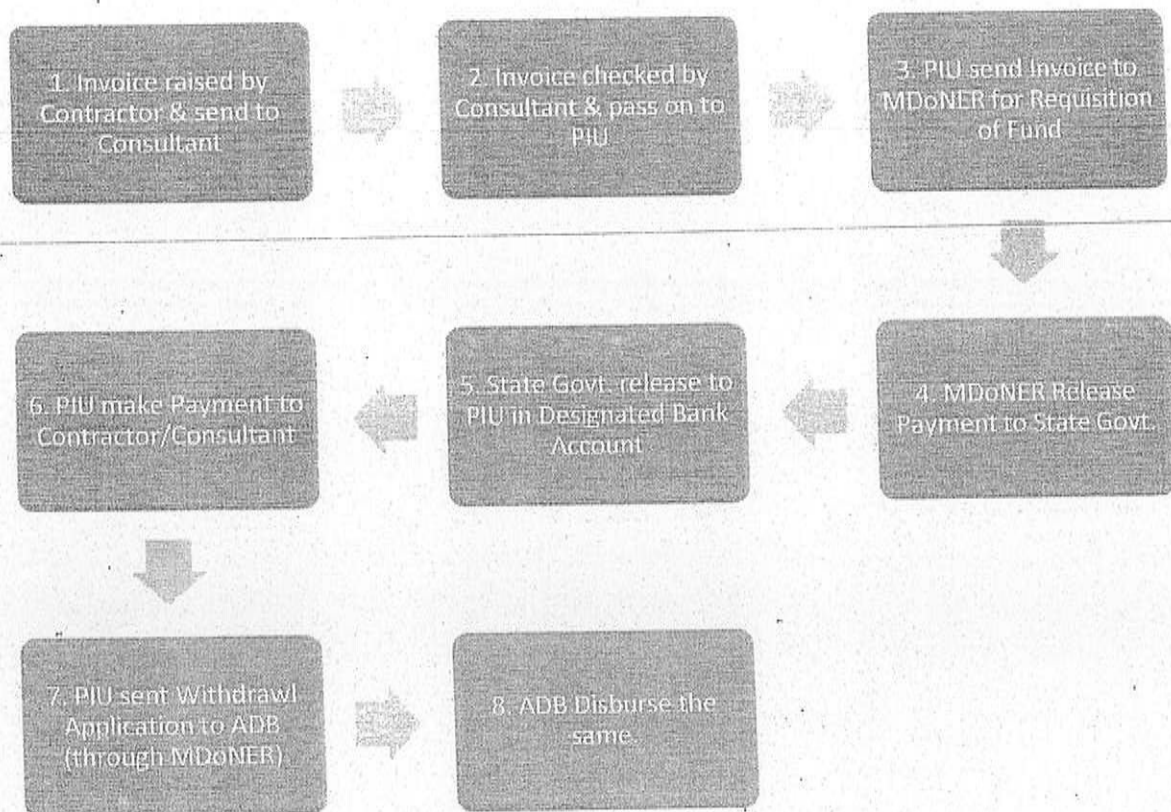
3.2 Basis of measurement

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

3.3 Changes in Accounting policies

NA

3.4 Fund Flow mechanism



3.5 Advances and other receivables

Advances given to Contractor are treated as expenditure and these advances will be adjusted with respective Invoices as per terms of contracts.

3.6 Cash and cash equivalents

Cash at Bank at Vijaya Bank Account (Designated Bank Account) is only the part of Cash and Cash Equivalents. No other cash in hand/bank are there except above stated account.

3.7 Accrued and other liabilities

Retention Liabilities payable to Contractor i.e. Tania Construction Ltd is amounting to Rs.74,29,407/- which have not been accrued under the cash basis policy

3.8 Income

- i) *The only source of income/fund of the Project is Grant and these Grant are recognized on Receipt basis. No other sources of income are available.*

3.9 Foreign currency transactions and translation

NA

3.10 Allocation of Common Costs

No common costs are involved under this Project.

3.11 Interest Expenses and Financial Charges

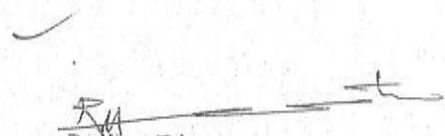
NA

4. Fund Received from the Government.

<i>Particulars</i>	<i>For the year ended 31.03.2016</i>	<i>For the year ended 31.03.2015</i>	<i>Cumulative year to date</i>
<i>Received from Government</i>	2610.53	1799.98	4410.51
<i>Total</i>	2610.53	1799.98	4410.51

5. Date of Authorization:

These Financial Statements have been authorized for issue by the Lalrinkima Hnamte, Project Director of Project Implementation Unit, Public Works Departments, Aizawl, Mizoram on

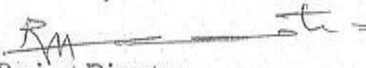

Project Director
Project Implementation Unit
PWD : Mizoram.

**Project Implementation Unit, Chief Engineers Road,
Public Works Departments, Aizawl, Mizoram**
Project: North Eastern State Roads Investment Program – Tranche 2
Loan/Grant No.: 3073-IND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31.03.2016**

In INR (in-lacs)

Particulars	Note Ref.	During Current Period/Year 31.03.2016	During Previous Period/Year 31.03.2015	Cummulative Project to Date
ADB Loan:				
- By Reimbursement Method:		1247.70	0.00	1247.70
- By Imprest Account:				
- By Direct Payment:				
- By Commitment Procedure:				
ADB Loan Total				
ADB Grant				
ADB Grant and Loan Total		1247.70	1247.70	1247.70


✓

 Project Director
 Project Implementation Unit
 PWD : Mizoram.

Project Implementation Unit, Chief Engineers Road,
Public Works Departments, Aizawl, Mizoram
Project: North Eastern State Roads Investment Program – Tranche 2
Loan/Grant No.: 3073-IND

DISBURSEMENT OF CLAIM UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
FOR THE YEAR/PERIOD ENDED 31.03.2016

In INR (in lacs)


W/ A NO	SOE SHE ET NO.	CATEGO RY	TOTAL AMOUN T PAID	ADB FINANCI NG %	NET ELIGIBLE EXPENSE	AMOUNT REIMBUR SED	IMPREST FUND REPLENISHE D/LIQUIDAT ED	TOTAL DISBURSEM ENT USING SOE PROCEDURE

✓

 Project Director
 Project Implementation Unit
 PWD : Mizoram

Project Implementation Unit
Public Works Departments, Aizawl, Mizoram
Project: North Eastern State Roads Investment Program – Tranche 2
Loan/Grant No. 3073-IND

STATEMENT OF APPROPRIATION VS ACTUAL

	INR (in Lakhs)				For the Current year ended 2016				For the Prior year ended 2015				Cumulative from [beginning of Project] to year to date			
	Budgeted Expenditures		Actual Expenditures		Utilization Percentage	Variance	INR (in Lakhs)	Budgeted Expenditures	Actual Expenditures	Utilization Percentage	Variance	INR (in Lakhs)	Budgeted Expenditures	Actual Expenditures	Utilization Percentage	Variance
	INR (in Lakhs)		INR (in Lakhs)					INR (in Lakhs)					INR (in Lakhs)			
Cost categories																
Investment Costs	0.00		0.00	0%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Civil Works	5270.00		624.54	12%		4645.46	1500.00	700.00	47%		800.00	6770.00	1324.54	20%		5445.46
Mechanical and equipment	0.00		0.00	0%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Environment and Social	0.00		0.00	0%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consultants	0.00		0.00	0%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
a. Project Management	0.00		0.00	0%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. Capacity development	0.00		0.00	0%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c. Construction Supervision	261.00		296.13	113%		-35.13	300.00	82.49	27%		217.51	561.00	378.62	67%		182.38
Others	169.00		76.19	45%		92.81	645.00	528.44	82%		116.56	814.00	604.63	74%		209.37
Subtotal	5700.00		996.86	1.70		4703.14	2445.00	1310.93	1.56		1134.07	4145.00	2307.79	1.61		5837.21
Recurrent Costs																
Salaries	0.00		0.00	0%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accommodation	0.00		0.00	0%		0.00	0.00	0.00	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%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00		0.02	0%		-0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	0.00		0.02	0.00		-0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Payments	5700.00		996.88	1.70		4703.12	2445.00	1310.93	1.56		1134.07	4145.00	2307.81	1.61		5837.21
Financing Charges During Implementation	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Project Cost	5700.00		996.88	1.70		4703.12	2445.00	1310.93	1.56		1134.07	4145.00	2307.81	1.61		5837.21
Grand total of expenditures																



 Project Director
 Project Implementation Unit
 PWD : Mizoram.

Project Implementation Unit
Public Works Departments, Aizawl, Mizoram
Project: North Eastern State Roads Investment Program – Tranche 2
Loan/Grant No. 3073-IND

EXPENDITURE BY OUTPUT COMPONENTS

	Unallocable common costs			Output 1*			Output 2*			Output 3*			Total Expenditure		
	Prior Year	Current Year	Cum to Date	Prior Year	Current Year	Cum to Date	Prior Year	Current Year	Cum to Date	Prior Year	Current Year	Cum to Date	Prior Year	Current Year	Cum to Date
Investment Costs															
Civil Works															
Mechanical Equipment															
Environment and Social Mitigation															
Consultants															
a. Project Management															
b. Capacity development															
Others															
Subtotal (A)															
Recurrent Costs															
Salaries															
Accommodation															
Equipment Operation and Maintenance															
Others															
Subtotal (B)															
Total Cost (C=A+B)															
% Total Project Cost															

Allocate the expenditure to the different Project Output Components as per the Loan Agreement. Add as many columns as required. For common costs allocated, specify the sharing ratios in the note 3.10


 Project Director
 Project Implementation Unit
 PWD : Mizoram.