

Audited Project Financial Statements

Project Number: 41116
Loan Numbers: 2925/3132
Period covered: 1 April 2013 to 31 March 2014

IND: Jammu and Kashmir Urban Sector Development Investment Program (Project 2 and Project 3)

Prepared by Economic and Reconstruction Agency

For the Asian Development Bank
Date received by ADB: 25 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 Economic and Reconstruction Agency.



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CHARTERED ACCOUNTANTS

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To the Members of :
JAMMU & KASHMIR ECONOMIC RECONSTRUCTION AGENCY.

Report on the Financial Statements

We have audited the accompanying financial statements of **Jammu & Kashmir Economic Reconstruction Agency ('J&K ERA')** ("the Society"), along with the Balance Sheet, Income & Expenditure Statement and Cash Flow Statement of the MPIRJK and JKUSDIP project financed under Asian Development Bank loan no 2151-IND, 2331-IND and 2925-IND for the year ended 31st March 2014.

These statements are the responsibility of the Project's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit examine, on 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 the management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, subject to what is been stated above and to the best of our information and according to the explanations given to us, the financial statements of 'the Society', presents fairly, in all material respects, the sources and applications of funds of the project for the year ended 31st March 2014 in accordance with the accounting standards prescribed by the ICAI.

In addition to our opinion:

- a) Proceeds of the Loan from ADB have been utilised for the purposes as per ADB loan / Project Agreement.
- b) Financial Covenants in the loan agreement MPIRJK (Loan-2151-IND), JKUSDIP (Loan 2331-IND) and JKUSDIP (Loan 2925-IND), dated 17-03-2005, 28-12-2007 and 16.05.2013 and 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 expenditures incurred; and (b) except for the ineligible expenditures as detailed in the audit observations, if any, appended to this report, expenditures are eligible for financing under the loan Agreement.





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(ii) (a) The Imprest Accounts give a true and fair view of the receipts collected and payments made during the year ended 31st March 2014; 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 or UT legislature.

Place: JAMMU/SRINAGAR
Dated: 18-10-2014



For P C Bindal & Co.
Chartered Accountants.
FRN.: 003824N


(CA. Samit Gupta)
Partner
M.No.: 093783



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Audit Observations for the financial year ended 31st March 2013 and Compliance thereof:

During our audit process for the financial year ended 31st March 2014 we have noted the compliance or otherwise by the auditee, J&K ERA, of the following observations of the previous auditor for the financial year ended 31st March 2013:

- a. **Audit observation at 'Other Matters para (b)'** : "The advances to the tune of Rs. 62,14,08,406/- are outstanding for the longer periods. Though the J&K ERA has demonstrated that the action and correspondence have been made to the respective departments and parties to whom the advances have been paid but there has been no proper response for advances to the tune of Rs.17,28,16,069/-, therefore we are unable to verify the actual recoverability of these advances in cash/kind."

Compliance by Auditee:

As at 31st March 2014, advances to the tune of Rs.14,81,38,069/- are outstanding for a longer period for which there has been no proper response.

- b. **Audit observation at 'Other Matters para (c)'** : "There is a suspense amount of Rs.5,000/- outstanding for reconciliation from previous accounting periods other than under audit and has been separately reflected in the financial statements."

Compliance by Auditee:

The suspense amount of Rs.5,000/- as at 31st March 2012, is still outstanding as at 31st March 2014.

- c. **Audit observation at 'Other Matters para (c)'** : "Though at present there is no internal audit system prevailing in the society but the Society has taken steps towards establishment of internal audit system and TOR has been sent to ADB for approval."

Compliance by Auditee:

The auditee is still in the process of appointing the internal Auditors. Expression of Interest (EOI) stands issued and offers received are under evaluation process.

Date : 3rd March 2015

Place: Jammu

For P C Bindal & Co.
Chartered Accountants.



(CA. Samit Gupta)

Partner

M.No.093783



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Audit Observations for the financial year ended 31st March 2012 and Compliance thereof:

During our audit process for the financial year ended 31st March 2013, we have noted the compliance or otherwise by the auditee, J&K ERA, of the following observations by the previous auditor for the financial year ended 31st March 2012:

- a. Audit observation at para 9(c) : "The Project Management Unit(PMU) makes advances of money to the two Project Implementation Unit(PIU) for implementation of the project and record expenses reported by them against the advances. The accounts of the PIU-Kashmir are not reconciled as on April 1, 2011 (opening) and the differences reported do not effect the true and fair view represented by the financial statements. The books of the PIU-Kashmir and PMU has the difference of Rs.6,52,683/-"

Compliance by Auditee:

As at 31st March 2013, the difference in books of the PIU-Kashmir stands at Rs.5,27,877.78. As explained to us by the auditee they are in the process of reconciling the balance differences.

- b. Audit observation at para 9(d) : "The following advances are outstanding for the longer periods though the auditee has demonstrated that the action and correspondence have been made to the departments and parties to whom the advances have been paid but there has been no or no proper response for them therefore we are unable to verify the actual recoverability of these advances in cash/kind to the amount of Rs.66,84,74,851/-"

Compliance by Auditee:

As at 31st March 2013, advances to the tune of Rs. 17,28,16,069/- are outstanding for the longer period for which there has been no proper response.

- c. Audit observation at para 9(e) : "There is a suspense amount of Rs.5,000/- outstanding for reconciliation from previous accounting periods other than under audit and has been separately reflected in the financial statements."

Compliance by Auditee:

The suspense amount of Rs.5,000/- as at 31st March 2012, is still outstanding as at 31st March 2013.

- d. Audit observation at para 9(e) : "There is an outstanding amount of Rs.3000/- in the bank reconciliation on account of cheque no.330413 deposited with the bank on 25/05/2010 but not cleared till the completion of the audit. The management has written correspondences with the bank for the issue but the clarification from the bank has not been received nor the cheque is available with the auditee therefore the bank balance is subject to the realization of the cheque and to the extent we are unable to verify the actual monies available with the auditee."

Compliance by Auditee:

The outstanding cheque of Rs.3,000/- stands reconciled as at 31st March 2013.

Date : 3rd March 2015
Place: Jammu



For P C Bindal & Co.
Chartered Accountants.

(Signature)
(CA. Samit Gupta)
Partner
M.No.093783

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE PROJECT: Multi-Sector Project for Infrastructure Rehabilitation In Jammu & Kashmir (MPPRJK)
Loan/Grant No. 2151-IND

STATEMENT OF RECEIPTS AND PAYMENTS
REPORT FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014

In (INR)

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 Balance¹ (A)			1401,87,53,000.00	1401,87,53,000.00
Receipts				
Funds received from Government ²	4	5,00,000.00	13,15,00,000.00	13,20,00,000.00
ADB Loan ³	5	169,62,51,000.00	105,00,00,000.00	274,62,51,000.00
ADR Grant ³	6			
Co-financier ¹	7			
Co-financier ²	8			
Beneficiary contribution (if any)	9			
Other receipts such as interest income, sale from disposals of fixed assets, etc.	10			
Total Receipts (B)		169,67,51,000.00	118,15,00,000.00	287,82,51,000.00
Total (C = A + B)		169,67,51,000.00	1520,02,53,000.00	1689,70,04,000.00
Opening Balance Payments (C)			1367,03,52,073.56	1367,03,52,073.56
Investment Costs⁴	11			
Civil Works - Urban		36,17,10,899.00	37,99,97,310.00	74,17,08,209.00
Civil Works - Transport		89,74,15,363.00	77,12,01,308.00	165,86,16,671.00
Equipment & Materials		0.00	1,10,66,152.00	1,10,66,152.00
Consultancy Services		8,04,92,384.00	8,19,93,070.00	16,24,85,454.00
Land Acquisition		23,70,960.00	1,01,44,327.00	1,25,15,287.00
Sub Total (E)		134,19,89,606.00	125,44,02,117.00	259,63,91,723.00
Recurrent Cost	12			
Incremental Admin Costs		5,11,73,713.14	9,53,01,638.63	14,64,75,351.77
Sub Total (F)		5,11,73,713.14	9,53,01,638.63	14,64,75,351.77
Total Payments		139,31,63,319.14	134,97,03,755.63	274,28,67,074.77
Financing Charges During Implementation (G)	13			
Total Project Cost (H = D + E + F+G)		139,31,63,319.14	1502,00,55,829.19	1641,32,19,148.33
Closing Balance (C-H)		30,35,87,680.86	16,01,97,170.81	48,37,84,851.67

¹ If cash balance are controlled by the entity, indicating cash balance, imprest account and SGA 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 x of the financial statements form an integral part of these financial statements

J&K ERA

J&K ERA

For P C Bindal & Co.
Chartered Accountants

Partner

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE PROJECT: Multi-Sector Project for Infrastructure Rehabilitation in Jammu & Kashmir (MIPRIK)
Loan/Grant No. 2151-IND

STATEMENT OF EXPENDITURE BY CATEGORY AND FINANCER (SOE) PROCEDURE
REPORT FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014

in (INR)

Particulars	Percentage of financing ¹	ADB ⁴		Co-Financier		Government		Total Expenditure
		Actual Expenditure Amount	%	Actual Expenditure Amount	%	Actual Expenditure Amount	%	
	1	2	3	4	5	6	7	8
Investment Costs²								
Civil Works - Urban	73	18,93,08,092.00	73			17,24,02,807.00		36,17,10,899.00
Civil Works - Transport	73	73,09,14,056.00	73			16,65,01,307.00		89,74,15,363.00
Equipment & Materials	100	0.00	100			0.00		0.00
Consultancy Services	100	5,92,60,352.00	100			2,12,32,032.00		8,04,92,384.00
Land Acquisition		0.00				23,70,960.00		23,70,960.00
Sub Total (A)		97,94,82,500.00				36,25,07,106.00		134,19,89,606.00
Recurrent Cost								
Incremental Admin Costs	100	3,50,88,538.00	100			1,60,85,175.14		5,11,73,713.14
Sub Total (B)		3,50,88,538.00				1,60,85,175.14		5,11,73,713.14
Total Cost (C=A+B)³		101,45,71,038.00				37,85,92,281.14		139,31,63,319.14
% Total Project Cost								
Total Project Cost for Financial Year 2013-2014		101,45,71,038.00				37,85,92,281.14		139,31,63,319.14

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

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

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

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

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

P C Bindal & Co
Chartered Accountants
Office
Partm

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
 Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE PROJECT: Multi-Sector Project for Infrastructure Rehabilitation in Jammu & Kashmir (MPPRJK)
 Loan/Grant No. 2151-IND
FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014

Statement of Disbursement

in (INR)

Statement of Disbursement	Note	Current Year	Prior Year	Cumulative Project to Date
ADB Fund claimed during the year				
Reimbursement ²	6.1	101,45,71,038.00	93,74,77,175.00	
Imprest Funds ³	6.2			
Direct Payment	6.3			
Commitment Letter	6.4			
Subtotal	(A)	101,45,71,038.00	93,74,77,175.00	
Total Expenditure made during the year¹	(B)	139,31,63,319.14	134,97,03,755.63	
Less:				
Expenditure not yet claimed	(C)		9,15,98,249.63	
Borrower's Share	(D)	37,85,92,281.14	32,06,28,331.00	
Total Eligible Expenditure Claimed (B - C - D = E = A)		101,45,71,038.00	93,74,77,175.00	

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

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

³Includes both claims using SOE and full supporting documentation.

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

For P. C. Bindal & Co.
 Chartered Accountants

Partner
 Partner

[Signature]
 J&K SRA

[Signature]
 J&K SRA

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE PROJECT: Multi-Sector Project for Infrastructure Rehabilitation in Jammu & Kashmir (MPIRJK)
 Loan/Grant No. 2151-IND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014

6. Funds Received from ADB

Give key terms and conditions of the loan including date of loan agreement, loan effectiveness date, key terms conditions, disbursement schedule, commitment fee and interest rates etc.

		in (INR)		
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	6.1	101,45,71,038.00	93,74,77,175.00	
- By Imprest Account ¹	6.2			
- By Direct Payment	6.3			
- By Commitment Letter	6.4			
ADB Loan Total		101,45,71,038.00	93,74,77,175.00	
ADB Grant				
ADB Loan and Grand Total		101,45,71,038.00	93,74,77,175.00	

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

6.1 Funds Received from ADB through Reimbursement Method

For P. C. Bindal & Co
Chartered Accountants

P. C. Bindal
Partner

[Signature]
Chartered Accountant
No. 1234

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

Annexure-7

NAME OF THE ENTITY/PROJECT: Multi-Sector Project for Infrastructure Rehabilitation in Jammu & Kashmir (MPRIJK)

Loan/Grant No. 2151-IND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED (01-APR-2013 TO 31-MAR-2014)

6.6 Details of disbursement claimed under the Statement of Expenditure (SOE) Procedure are given below

**DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014**

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing % ¹	Net Eligible Expense	Amount Reimbursed	Imprest Fund Replenished/Liquidated	Total Disbursement Using SOE Procedure
			4	5	6 (4x5)	7	8	7 + 8 = 9
143	1	Civil Works - Urban	1,04,70,403	73	76,43,394	76,43,394		76,43,394
	2	Civil Works - Transport	56,61,551	73	41,32,932	41,32,932		41,32,932
144	1	Civil Works - Urban	26,39,232	73	19,26,639	19,26,639		19,26,639
	2	Civil Works - Transport	1,03,72,782	73	75,72,131	75,72,131		75,72,131
	3	Consultants	67,04,751	100	67,04,751	67,04,751		67,04,751
	4	Incremental	1,09,82,105	100	1,09,82,105	1,09,82,105		1,09,82,105
145	1	Civil Works - Transport	2,31,88,745	73	1,69,27,784	1,69,27,784		1,69,27,784
146	1	Civil Works - Transport	35,06,354	73	25,59,638	25,59,638		25,59,638
	2	Consultants	98,46,478	100	98,46,478	98,46,478		98,46,478
	3	Incremental	72,39,623	100	72,39,623	72,39,623		72,39,623
147	1	Civil Works - Urban	2,75,18,661	73	2,00,88,623	2,00,88,623		2,00,88,623
	2	Civil Works - Transport	2,90,12,069	73	2,11,78,810	2,11,78,810		2,11,78,810
148	1	Civil Works - Transport	35,64,328	73	26,01,959	26,01,959		26,01,959
	2	Consultants	9,93,166	100	9,93,166	9,93,166		9,93,166
	3	Incremental	44,67,625	100	44,67,625	44,67,625		44,67,625
149	1	Civil Works - Transport	2,39,66,521	73	1,74,95,560	1,74,95,560		1,74,95,560
150	1	Civil Works - Urban	15,74,963	73	11,49,723	11,49,723		11,49,723
	2	Civil Works - Transport	6,22,709	73	4,54,578	4,54,578		4,54,578
	3	Consultants	95,77,667	100	95,77,667	95,77,667		95,77,667
	4	Incremental	41,24,007	100	41,24,007	41,24,007		41,24,007

In (INR)

For P C Bindal & Co.
Chartered Accountants


Partner

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Multi-Sector Project for Infrastructure Rehabilitation in Jammu & Kashmir (MPIRJK)

Loan/Grant No. 2151-IND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED (01-APR-2013 TO 31-MAR-2014)

6.6 Details of disbursement claimed under the Statement of Expenditure (SOE) Procedure are given below

**DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014**

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing % ¹	Net Eligible Expense	Amount Reimbursed	Imprest Fund Replenished/Liquidated	Total Disbursement Using SOE Procedure
1	2	3	4	5	6 (4x5)	7	8	7 + 8 = 9
151	1	Civil Works - Urban	1,30,45,168	73	95,22,973	95,22,973		95,22,973
	2	Civil Works - Transport	3,22,74,799	73	2,35,60,603	2,35,60,603		2,35,60,603
152	1	Civil Works - Urban	9,60,984	73	7,01,518	71,540		71,540
	2	Civil Works - Transport	78,16,624	73	20,56,136	20,56,136		20,56,136
	3	Consultants	69,17,495	100	69,17,495	69,17,495		69,17,495
	4	Incremental	42,07,356	100	42,07,356	42,07,356		42,07,356
153	1	Civil Works - Urban	4,23,90,299	73	3,09,44,918	3,09,44,918		3,09,44,918
	2	Civil Works - Transport	8,80,76,269	73	6,42,95,676	6,42,95,676		6,42,95,676
154	1	Civil Works - Transport	14,33,18,400	73	10,46,22,432	10,46,22,432		10,46,22,432
155	1	Civil Works - Urban	1,15,25,798	73	84,13,833	84,13,833		84,13,833
	2	Civil Works - Transport	2,08,69,229	73	1,52,34,537	1,51,67,177		1,51,67,177
	3	Consultants	1,09,79,873	100	1,09,79,873	1,09,79,873		1,09,79,873
	4	Incremental	40,67,822	100	40,67,822	40,67,822		40,67,822
156	1	Civil Works - Urban	3,44,01,190	73	2,51,12,869	2,51,12,869		2,51,12,869
	2	Civil Works - Transport	10,97,14,351	73	8,00,91,476	8,00,91,476		8,00,91,476
157	1	Civil Works - Urban	72,40,237	73	52,85,373	52,85,373		52,85,373
	2	Civil Works - Transport	1,61,12,981	73	1,17,62,475	1,17,62,475		1,17,62,475
	3	Consultants	97,31,198	100	97,31,199	97,31,199		97,31,199
158	1	Civil Works - Urban	3,66,22,229	73	2,67,34,227	2,67,34,227		2,67,34,227
	2	Civil Works - Transport	4,32,51,192	73	3,15,73,370	3,15,73,370		3,15,73,370

in (INR)

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Multi-Sector Project for Infrastructure Rehabilitation in Jammu & Kashmir (M/PIRJK)

Loan/Grant No. 2151-IND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED (01-APR-2013 TO 31-MAR-2014)

6.6 Details of disbursement claimed under the Statement of Expenditure (SOE) Procedure are given below

**DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014**

in (INR)

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing % ¹	Net Eligible Expense	Amount Reimbursed	Imprest Fund Replenished/LI quidated	Total Disbursement Using SOE Procedure
1	2	3	4	5	6 (4x5)	7	8	7 + 8 = 9
159	1	Civil Works - Urban	21,48,000	73	15,68,040	15,68,040		15,68,040
	2	Civil Works - Transport	76,65,903	73	55,96,109	55,96,109		55,96,109
	3	Consultants	3,96,341	100	3,96,341	3,96,341		3,96,341
160	1	Civil Works - Urban	1,54,04,950	73	1,12,45,614	97,34,604		97,34,604
	2	Civil Works - Transport	13,97,23,615	73	10,19,98,239	10,19,98,239		10,19,98,239
161	1	Civil Works - Urban	89,14,207	73	65,07,371	65,07,371		65,07,371
	2	Civil Works - Transport	1,46,72,736	73	1,07,11,097	81,78,743		81,78,743
162	1	Civil Works - Transport	4,08,37,366	73	2,98,11,277	1,66,96,928		1,66,96,928
163	1	Civil Works - Urban	33,12,210	73	24,17,914	24,17,914		24,17,914
	2	Civil Works - Transport	1,21,20,148	73	88,47,707	68,85,325		68,85,325
	3	Consultants	57,19,492	100	57,19,492	39,44,279		39,44,279
164	1	Civil Works - Transport	7,21,17,791	73	5,26,45,987	5,26,45,987		5,26,45,987
	1	Civil Works - Transport	11,51,60,623	73	8,40,67,255	8,29,23,499		8,29,23,499
165	1	Civil Works - Urban	10,48,177	73	7,65,169	7,65,169		7,65,169
	2	Civil Works - Transport	2,15,82,312	73	1,57,55,088	1,57,55,088		1,57,55,088
	3	Consultants	27,05,278	100	27,05,278	6,20,926		6,20,926
	1	Civil Works - Urban	29,14,000	73	21,27,220	21,27,220		21,27,220
	2	Civil Works - Transport	71,95,847	73	52,52,968	52,52,968		52,52,968
166	1	Civil Works - Urban	2,20,85,712	73	1,61,22,570	1,61,22,570		1,61,22,570
	2	Civil Works - Transport	2,94,86,069	73	2,15,24,830	2,15,24,830		2,15,24,830

Name of the Executing Agency: **J&K ECONOMIC RECONSTRUCTION AGENCY**
 Name of the Implementing Agency: **J&K ECONOMIC RECONSTRUCTION AGENCY**

NAME OF THE ENTITY/PROJECT: **Multi-Sector Project for Infrastructure Rehabilitation in Jammu & Kashmir (MIPRIK)**
 Loan/Grant No. **2151-IND**
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED (01-APR-2013 TO 31-MAR-2014)

6.6 Details of disbursement claimed under the Statement of Expenditure (SOE) Procedure are given below

**DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
 FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014**

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing % ¹	Net Eligible Expense	Amount Reimbursed	Imprest Fund Replenished/Liquidated	Total Disbursement Using SOE Procedure
1	2	3	4	5	6 (4x5)	7	8	7 + 8 = 9
167	1	Civil Works - Urban	81,35,377	73	59,38,825	59,38,825		59,38,825
	2	Civil Works - Transport	51,04,192	73	37,26,060	37,26,060		37,26,060
168	1	Civil Works - Urban	30,43,832	73	22,21,997	0		0
	2	Civil Works - Transport	22,86,386	73	16,69,062	16,69,062		16,69,062
169	1	Civil Works - Urban	99,83,269	73	72,87,786	72,32,267		72,32,267
	2	Civil Works - Transport	2,40,11,635	73	1,75,28,494	0		0
	1	Civil Works - Transport	94,40,766	73	68,91,759	20,08,481		20,08,481
	1	Civil Works - Urban	19,06,000	73	13,91,380	0		0
	2	Civil Works - Transport	14,50,076	73	10,58,555	0		0
	1	Civil Works - Urban	49,92,423	73	36,44,469	609,44,469		609,44,469
		Total	143,01,21,967		107,06,27,307	101,45,71,038		101,45,71,038
		Total for Financial Year 2013-2014						

The financing percentages within the table for ADB funds are as per loan agreement Schedule 3.

For P. C. Bindal & Co.
 Chartered Accountants

 Partner




 J&K ERA

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE PROJECT: Jammu & Kashmir Urban sector Development Investment Program Tranche-II (JKUSDIP)
Loan/Grant No. 2925-IND

STATEMENT OF RECEIPTS AND PAYMENTS
REPORT FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014

in (INR)

Particulars	Note	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)		0.00		0.00
Receipts				
Funds received from Government ²	4			
ADB Loan ³	5	29,18,79,000.00		29,18,79,000.00
ADB Grant ³	6			
Co-financier 1	7			
Co-financier 2	8			
Beneficiary contribution (if any)	9			
Other receipts such as interest income, sale from disposals of fixed assets, etc.	10			
Total Receipts (B)		29,18,79,000.00	0.00	29,18,79,000.00
Total (C = A + B)		29,18,79,000.00	0.00	29,18,79,000.00
Opening Balance Payments (D)				
Investment Costs ⁴	11			
Civil Works		56,28,96,029.00		56,28,96,029.00
Equipment		28,17,000.00		28,17,000.00
Training & Workshop		0.00		0.00
Consulting Services		1,05,74,631.00		1,05,74,631.00
Resettlement Plan		20,10,88,000.00		20,10,88,000.00
Land Acquisition		1,78,11,571.00		1,78,11,571.00
Sub Total (E)		79,51,87,231.00	0.00	79,51,87,231.00
Recurrent Cost	12			
Incremental Admin Costs		0.00		0.00
Sub Total (F)		0.00	0.00	0.00
Total Payments		79,51,87,231.00	0.00	79,51,87,231.00
Financial Charges During Implementation (G)	13			
Total Project Cost (H = D + E + F+G)		79,51,87,231.00	0.00	79,51,87,231.00
Closing Balance (C-H)		(50,33,08,231.00)	0.00	(50,33,08,231.00)

¹ If cash balance are controlled by the entity, indicating cash balance, interest account and SGIA 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 X of the financial statements form an integral part of these financial statements


Chief Accounts Officer
J&K ERA


J&K ERA

For P. C. Bindal & Co
Chartered Accountants

Partner

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Jammu & Kashmir Urban Sector Development Investment Program Tranche-II (JKUSDIP)

Loan/Grant No. 2925-JND

**STATEMENT OF EXPENDITURE BY CATEGORY AND FINANCIER (SOE) PROCEDURE
REPORT FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014**

in (INR)

Particulars	ADB ⁴			Co-Financier		Government		Total Expenditure
	Percentage of financing ¹	Actual Expenditure Amount	%	Actual Expenditure Amount	%	Actual Expenditure Amount	%	
	1	2	3	4	5	6	7	8
Investment Costs²								
Civil Works	70	39,48,73,256				16,80,22,773		56,28,96,029
Equipment	100	28,17,000				0		28,17,000
Training & Workshop	100	0				0		0
Consulting Services	80	84,59,705				21,14,926		1,05,74,631
Resettlement Plan						20,10,88,000		20,10,88,000
Land Acquisition						1,78,11,571		1,78,11,571
Sub Total (A)		40,61,49,961				38,90,37,270		79,51,87,231
Recurrent Cost								
Incremental Admin Costs	80					0		0
Sub Total (B)		0				0		0
Total Cost (C=A+B)³		40,61,49,961				38,90,37,270		79,51,87,231
% Total Project Cost								
Total Project Cost for Financial Year 2013-2014		40,61,49,961				38,90,37,270		79,51,87,231

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

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

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

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

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


Accounts Officer
J&K ERA


Chartered Accountant
J&K ERA

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
 Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Jammu & Kashmir Urban Sector Development Investment Program Tranche-II (JKUSDIP)
 Loan/Grant No. 2925-IND
 FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014

Statement of Disbursement

In (INR)

Statement of Disbursement	Note	Current Year	Prior Year	Cumulative Project to Date
ADB Fund claimed during the year				
Reimbursement ²	6.1	40,61,49,961.00		40,61,49,961.00
Imprest Fund ³	6.2			
Direct Payment	6.3			
Commitment Letter	6.4			
Subtotal	(A)	40,61,49,961.00	0.00	40,61,49,961.00
Total Expenditure made during the year¹	(B)	79,51,87,231.00		79,51,87,231.00
Less:				
Expenditure not yet claimed	(C)	21,76,90,951.00		21,76,90,951.00
Borrower's Share	(D)	17,13,46,319.00		17,13,46,319.00
Total Eligible Expenditure Claimed (B - C - D = E = A)		40,61,49,961.00	0.00	40,61,49,961.00

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

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

³Includes both claims using SOE and full supporting documentation.

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


 Chief Accounts Officer
 J&K ERA

For P. C. Bindal & Co
 Chartered Accountants

 Partner
 J&K ERA

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
 Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Jammu & Kashmir Urban Sector Development Investment Program Tranche-II (JKUSDIP)

Loan/Grant No. 2925-IND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014

6. Funds Received from ADB

Give key terms and conditions of the loan, including date of loan agreement, loan effectiveness date, key terms conditions, disbursement schedule, commitment fee and interest rates etc.

in (INR)

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	6.1	40,61,49,961.00		40,61,49,961.00
- By Imprest Account ¹	6.2			
- By Direct Payment	6.3			
- By Commitment Letter	6.4			
ADB Loan Total		40,61,49,961.00	0.00	40,61,49,961.00
ADB Grant				
ADB Loan and Grand Total		40,61,49,961.00	0.00	40,61,49,961.00

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

6.1 Funds Received from ADB through Reimbursement Method


 Chief Accounts Officer
 J&K ERA

For P. C. Bindal & Co
 Chartered Accountants

 Partner

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
 Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Jammu & Kashmir Urban Sector Development Investment Program Tranche-II (JKUSDIP)
 Loan/Grant No. 2925-IND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED (01-APR-2013 TO 31-MAR-2014)

6.6 Details of disbursement claimed under the Statement of Expenditure (SOE) Procedure are given below

**DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
 FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014**

in (INR)

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing %	Net Eligible Expense	Amount Reimbursed	Imprest Fund Replenished/ Liquidated	Total Disbursement Using SOE Procedure
1	2	3	4	5	6 (4x5)	7	8	7 + 8 = 9
09	1	Civil Works	1,86,95,383	70	1,30,86,768	1,30,86,768		1,30,86,768
	2	Civil Works	1,22,75,129	70	85,92,590	85,92,590		85,92,590
	1	Civil Works	1,38,91,154	70	97,23,808	97,23,808		97,23,808
10	1	Civil Works	26,65,405	70	18,65,784	18,65,784		18,65,784
	2	Civil Works	71,91,500	70	50,34,050	50,34,050		50,34,050
	3	Consulting Services	34,54,781	80	27,63,825	27,63,825		27,63,825
11	1	Civil Works	1,57,86,891	70	1,10,50,824	1,10,50,824		1,10,50,824
		Total	57,74,96,280		40,61,49,961	40,61,49,961		40,61,49,961
		Total for Financial Year 2013-2014						

The financing percentages within the table for ADB funds are as per loan agreement Schedule 3.

For P C Bindal & Co
 Chartered Accountants


 Partner


 Chief Accounts Officer
 J&K ERA


 J&K ERA

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Jammu & Kashmir Urban Sector Development Investment Program Tranche-II (JKUSDIP)
Loan/Grant No. 2925-IND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED (01-APR-2013 TO 31-MAR-2014)

6.6 Details of disbursement claimed under the Statement of Expenditure (SOE) Procedure are given below:

**DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014**

in (INR)

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing %	Net Eligible Expense	Amount Reimbursed	Imprest Fund Replenished/ Liquidated	Total Disbursement Using SOE Procedure
1	2	3	4	5	6 (4x5)	7	8	7 + 8 = 9
01	1	Civil Works	1,78,80,622	70	1,25,16,435	1,25,16,435		1,25,16,435
	2	Civil Works	1,48,73,795	70	1,04,11,657	1,04,11,657		1,04,11,657
	3	Civil Works	17,33,97,560	70	12,13,78,292	12,13,78,292		12,13,78,292
02	1	Civil Works	1,99,50,000	70	1,39,65,000	1,39,65,000		1,39,65,000
	2	Civil Works	10,86,95,390	70	7,60,86,773	7,60,86,773		7,60,86,773
03	1	Civil Works	69,20,161	70	48,44,113	48,44,113		48,44,113
	2	Civil Works	1,78,80,622	70	1,25,16,435	1,25,16,435		1,25,16,435
	3	Civil Works	5,00,00,000	70	3,50,00,000	3,50,00,000		3,50,00,000
04	1	Civil Works	73,71,715	70	51,60,201	51,60,201		51,60,201
05	1	Civil Works	1,04,00,000	70	72,80,000	72,80,000		72,80,000
	2	Civil Works	2,64,20,519	70	1,84,94,433	1,84,94,433		1,84,94,433
06	1	Civil Works	5,00,000	70	3,50,000	3,50,000		3,50,000
	2	Civil Works	15,00,000	70	10,50,000	10,50,000		10,50,000
	3	Civil Works	55,78,637	70	39,05,046	39,05,046		39,05,046
	4	Consulting Services	24,35,579	80	19,48,463	19,48,463		19,48,463
07	1	Civil Works	3,20,00,721	70	2,24,00,505	2,24,00,505		2,24,00,505
08	1	Civil Works	2,29,345	70	1,60,542	1,60,542		1,60,542
	2	Equipment	28,17,000	100	28,17,000	28,17,000		28,17,000
	3	Consulting Services	46,84,271	80	37,47,417	37,47,417		37,47,417

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
 Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE PROJECT: Jammu & Kashmir Urban Sector Development Investment Program Tranche-1 (JKUSDIP)
 Loan/Grant No. 2331-IND

STATEMENT OF RECEIPTS AND PAYMENTS
REPORT FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014

In (INR)

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 ¹
Opening Balance¹ (A)			264,94,53,000.00	264,94,53,000.00
Receipts				
Funds received from: Government ²	4			76,00,76,000.00
ADB Loan ³	5	60,93,01,000.00	15,07,75,000.00	
ADB Grant ³	6			
Co-financer 1	7			
Co-financer 2	8			
Beneficiary contribution (if any)	9			
Other receipts such as interest income, sale from disposals of fixed assets, etc.	10			
Total Receipts (B)		60,93,01,000.00	15,07,75,000.00	76,00,76,000.00
Total (C = A + B)		60,93,01,000.00	280,02,28,000.00	340,95,29,000.00
Opening Balance Payments (D)			101,65,33,793.00	101,65,33,793.00
Investment Costs⁴	11			
Civil Works - Water Supply		1,54,14,051.00	1,08,66,760.00	2,62,80,811.00
Civil Works - Sewerage		18,43,35,055.00	33,32,32,918.00	51,75,67,973.00
Civil Works - Solid Waste		14,84,87,625.00	7,77,90,529.00	22,62,78,154.00
Consultancy Services		45,43,22,647.00	4,61,90,074.00	14,05,12,716.00
Land Acquisition		2,10,85,555.00		2,10,85,555.00
Sub Total (E)		46,36,44,928.00	46,80,80,281.00	93,17,25,209.00
Recurrent Cost	12			
Incremental Admin Costs		9,48,78,094.00	4,01,47,358.21	13,50,25,452.21
Sub Total (F)		9,48,78,094.00	4,01,47,358.21	13,50,25,452.21
Total Payments		55,85,23,022.00	50,82,27,639.21	106,67,50,661.21
Financing Charges During Implementation (G)	13			
Total Project Cost (H = D + E + F+G)		55,85,23,022.00	152,47,61,432.21	208,32,84,454.21
Closing Balance (C-H)		5,07,77,978.00	127,54,66,567.79	132,62,44,545.79

¹ Cash balance are controlled by the entity, indicating cash balance, imprest account and SGIA 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 x of the financial statements form an integral part of these financial statements

[Signature]
 Chief Accounts Officer
 J&K EIRA

For P. C Bindal & CO
 Chartered Accountants
[Signature]
 Partner

[Signature]
 Sd/-
 J&K EIRA

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Jammu & Kashmir Urban Sector Development Investment Program Tranche-I (JKUSDIP)
Loan/Grant No: 2331-IND

**STATEMENT OF EXPENDITURE BY CATEGORY AND FINANCIER (SOE) PROCEDURE
REPORT FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014**

in (INR)

Particulars	Percentage of financing ¹	ADB ²		Co-Financier		Government		Total Expenditure
		Actual Expenditure Amount	%	Actual Expenditure Amount	%	Actual Expenditure Amount	%	
	1	2	3	4	5	6	7	8
Investment Costs²								
Civil Works - Water Supply	82	1,26,39,523.00				27,74,528.00		1,54,14,051.00
Civil Works - Sewerage	82	11,24,35,020.00				7,19,00,035.00		18,43,35,055.00
Civil Works - Solid Waste	82	12,15,55,109.00				2,69,32,516.00		14,84,87,625.00
Consultancy Services	95	8,14,07,923.00				1,29,14,719.00		9,43,22,642.00
Land Acquisition						2,10,85,555.00		2,10,85,555.00
Sub Total (A)		32,80,37,575.00				13,56,07,353.00		46,36,44,928.00
Recurrent Cost								
Incremental Admin Costs	80	7,67,46,331.00				1,81,31,763.00		9,48,78,094.00
Sub Total (B)		7,67,46,331.00				1,81,31,763.00		9,48,78,094.00
Total Cost (C=A+B)³		40,47,83,906.00				15,37,39,116.00		55,85,23,022.00
% Total Project Cost								
Total Project Cost for Financial Year 2013-2014		40,47,83,906.00				15,37,39,116.00		55,85,23,022.00

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

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

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

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

Notes 1 to 4 of the financial statements form an integral part of these financial statements


Agency's PRT
J&K ERM


Director, Finance
J&K ERM

For P. C. Bindal & Co.
Chartered Accountants
Patna

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Jammu & Kashmir Urban Sector Development Investment Program Tranche-I (JKUSDIP)
Loan/Grant No: 2331-IND
FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014

Statement of Disbursement

In (INR)

Statement of Disbursement	Note	Current Year	Prior Year	Cumulative Project to Date
ADB Fund claimed during the year				
Reimbursement ²	6.1	40,47,83,906.00	36,46,47,902.00	144,27,50,699.00
Imprest Fund ³	6.2			
Direct Payment	6.3		7,75,000.00	2,06,79,000.00
Commitment Letter	6.4			
Subtotal	(A)	40,47,83,906.00	36,54,22,902.00	146,34,29,699.00
Total Expenditure made during the year¹	(B)	55,85,23,022.00	50,82,27,639.21	208,32,94,454.21
Less:				
Expenditure not yet claimed	(C)	6,41,16,999.00	6,88,76,595.21	32,97,66,302.21
Borrower's Share	(D)	8,96,22,117.00	7,39,28,142.00	29,00,88,453.00
Total Eligible Expenditure Claimed (B - C - D = E = A)		40,47,83,906.00	36,54,22,902.00	146,34,29,699.00

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

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

³Includes both claims using SOE and full supporting documentation.

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


Chief Accounts Officer
J&K ER&A


Director Finance
J&K ER&A

For P. C. Bindal & Co
Chartered Accountants

Partner

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
 Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Jammu & Kashmir Urban Sector Development Investment Program Tranche-1 (JKUSDIP)
 Loan/Grant No. 2331-IND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014

5. Funds Received from ADB

Give key terms and conditions of the loan including date of loan agreement, loan effectiveness date, key terms conditions, disbursement schedule, commitment fee and interest rates etc.

in (INR)

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	6.1	40,47,83,906.00	36,46,47,902.00	144,27,50,699.00
- By Imprest Account ¹	6.2			
- By Direct Payment	6.3		7,75,000.00	2,06,79,000.00
- By Commitment Letter	6.4			
ADB Loan Total		40,47,83,906.00	36,54,22,902.00	146,34,29,699.00
ADB Grant				
ADB Loan and Grant Total		40,47,83,906.00	36,54,22,902.00	146,34,29,699.00

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

6.1 Funds Received from ADB through Reimbursement Method


 Chief Accounts Officer
 J&K ERA


 Director Finance
 J&K ERA

For P. C. Bindal & Co.
 Chartered Accountants

 Partner

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Jammu & Kashmir Urban Sector Development Investment Program Tranche-I (JKUSDIP)
Loan/Grant No.: 2331-IND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED (01-APR-2013 TO 31-MAR-2014)

6.6 Details of disbursement claimed under the Statement of Expenditure (SOE) Procedure are given below

**DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014**

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing %	Net Eligible Expense	Amount Reimbursed	Imprest Fund Replenished/ Liquidated	Total Disbursement Using SOE Procedure
1	2	3	4	5	6 (4x5)	7	8	7 + 8 = 9
64	1	Civil Works - Sewerage	2,36,33,903	82	1,93,79,800	1,93,79,800		1,93,79,800
65	1	Civil Works - Sewerage	1,57,000	82	1,28,740	1,28,740		1,28,740
	2	Civil Works - Solid Waste	3,00,000	82	2,46,000	2,46,000		2,46,000
	3	Consultants	45,01,478	96	42,76,404	42,76,404		42,76,404
	4	Incremental	73,86,935	80	59,09,548	59,09,548		59,09,548
66	1	Civil Works - Sewerage	5,61,47,698	82	4,60,41,112	4,60,41,112		4,60,41,112
	2	Civil Works - Solid Waste	91,64,635	82	75,15,001	75,15,001		75,15,001
67	1	Civil Works - Solid Waste	1,21,76,478	82	99,84,712	99,84,712		99,84,712
	2	Consultants	26,88,529	95	25,54,103	25,54,103		25,54,103
68	1	Civil Works - Water Supply	18,21,525	82	14,93,651	14,93,651		14,93,651
	2	Consultants	23,88,387	95	22,68,968	22,68,968		22,68,968
	3	Incremental	82,56,280	80	66,05,024	66,05,024		66,05,024
69	1	Civil Works - Solid Waste	5,35,000	82	4,38,700	4,38,700		4,38,700
	2	Consultants	40,72,920	95	38,69,274	38,69,274		38,69,274
	3	Incremental	86,01,059	80	68,80,847	68,80,847		68,80,847
70	1	Civil Works - Sewerage	56,60,315	82	46,41,458	46,41,458		46,41,458
	2	Consultants	69,71,434	95	66,22,862	66,22,862		66,22,862
71	1	Civil Works - Solid Waste	91,43,083	82	74,97,328	74,97,328		74,97,328
	2	Consultants	28,48,635	95	27,06,203	27,06,203		27,06,203

in (INR)

For P C Bhatia & Co

Chartered Accountants

(Signature)
Partner

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Jammu & Kashmir- Urban Sector Development Investment Program Tranche-I (JKUSDIP)

Loan/Grant No. 2331-IND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED (01-APR-2013 TO 31-MAR-2014)

6.6 Details of disbursement claimed under the Statement of Expenditure (SOE) Procedure are given below

**DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014**

in (INR)

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing %	Net Eligible Expense	Amount Reimbursed	Imprest Fund Replenished/Liquidated	Total Disbursement Using SOE Procedure
1	2	3	4	5	6 (4x5)	7	8	7 + 8 = 9
72	1	Civil Works - Water Supply	24,53,558	82	20,11,918	20,11,918		20,11,918
	2	Civil Works - Sewerage	74,44,342	82	20,04,361	20,04,361		20,04,361
	3	Consultants	19,97,306	95	18,97,440	18,97,440		18,97,440
	4	Incremental	74,86,598	80	59,89,278	59,89,278		59,89,278
73	1	Civil Works - Sewerage	72,62,337	82	59,55,116	59,55,116		59,55,116
	2	Consultants	26,93,931	95	25,59,234	25,59,234		25,59,234
	3	Incremental	60,30,132	80	48,24,106	48,24,106		48,24,106
74	1	Civil Works - Sewerage	1,95,00,000	82	1,59,90,000	1,59,90,000		1,59,90,000
	2	Civil Works - Solid Waste	92,77,768	82	76,07,770	76,07,770		76,07,770
	1	Civil Works - Sewerage	1,20,12,693	82	98,50,408	0		0
75	1	Civil Works - Water Supply	51,12,117	82	41,91,936	41,91,936		41,91,936
	1	Civil Works - Sewerage	1,12,71,737	82	92,42,824	92,42,824		92,42,824
	2	Civil Works - Solid Waste	63,01,479	82	51,67,213	51,67,213		51,67,213
	3	Consultants	73,82,930	95	70,13,784	70,13,784		70,13,784
77	1	Incremental	1,24,76,492	80	99,81,194	99,81,194		99,81,194
78	1	Civil Works - Solid Waste	4,46,25,019	82	3,65,92,516	3,65,92,516		3,65,92,516
	1	Civil Works - Sewerage	22,45,632	82	18,41,418	18,41,418		18,41,418
79	1	Consultants	16,94,797	95	16,10,057	16,10,057		16,10,057
	2	Incremental	51,72,008	80	41,37,606	41,37,606		41,37,606

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Jammu & Kashmir Urban Sector Development Investment Program Tranche-I (JKUSDIP)
Loan/Grant No. 2331-IND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED (01-APR-2013 TO 31-MAR-2014)

6.6 Details of disbursement claimed under the Statement of Expenditure (SOE) Procedure are given below

**DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014**

In (INR)

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing %	Net Eligible Expense	Amount Reimbursed	Imprest Fund Replenished/ Liquidated	Total Disbursement Using SOE Procedure
1	2	3	4	5	6 (4x5)	7	8	7 + 8 = 9
80	1	Civil Works - Water Supply	39,06,599	82	32,03,411	32,03,411		32,03,411
81	1	Civil Works - Solid Waste	10,00,000	82	8,20,000	8,20,000		8,20,000
	2	Consultants	1,47,50,061	95	1,40,12,558	1,40,12,558		1,40,12,558
82	3	Incremental	2,05,12,484	80	1,64,09,987	1,64,09,987		1,64,09,987
	1	Consultants	1,27,16,601	95	1,20,80,771	1,20,80,771		1,20,80,771
83	1	Civil Works - Solid Waste	3,78,29,758	82	3,10,20,402	3,10,20,402		3,10,20,402
	2	Consultants	65,02,028	95	61,76,927	61,76,927		61,76,927
84	1	Consultants	10,38,909	95	9,86,964	9,86,964		9,86,964
	2	Incremental	85,61,979	80	68,49,583	68,49,583		68,49,583
85	1	Civil Works - Water Supply	21,20,252	82	17,38,607	17,38,607		17,38,607
	2	Civil Works - Solid Waste	9,00,000	82	7,38,000	7,38,000		7,38,000
	3	Consultants	65,51,661	95	62,24,078	62,24,078		62,24,078
86	1	Civil Works - Sewerage	47,31,275	82	38,79,645	38,79,645		38,79,645
	2	Civil Works - Solid Waste	67,66,840	82	55,48,809	55,48,809		55,48,809
	3	Consultants	33,91,751	95	32,22,164	32,22,164		32,22,164
87	1	Consultants	35,01,192	95	33,26,132	33,26,132		33,26,132
	1	Civil Works - Sewerage	40,61,641	82	33,30,546	33,30,546		33,30,546
	2	Civil Works - Solid Waste	1,02,17,875	82	83,78,658	83,78,658		83,78,658
88	1	Incremental	1,14,48,947	80	91,59,158	91,59,158		91,59,158

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
 Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY

NAME OF THE ENTITY/PROJECT: Jammu & Kashmir Urban Sector Development Investment Program Tranche-1 (JKUSDIP)
 Loan/Grant No. 2331-IND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED (01-APR-2013 TO 31-MAR-2014)

6.6 Details of disbursement claimed under the Statement of Expenditure (SOE) Procedure are given below

**DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
 FOR THE YEAR/PERIOD ENDED 01-APR-2013 TO 31-MAR-2014**

In (INR)

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing %	Net Eligible Expense	Amount Reimbursed	Imprest Fund Replenished/ Liquidated	Total Disbursement Using SOE Procedure
1	2	3	4	5	6 (4x5)	7	8	7 + 8 = 9
		Total	49,44,06,023		41,46,34,314	40,47,83,906		40,47,83,906
		Total for Financial Year 2013-2014						

The financing percentages within the table for ADB funds are as per loan agreement Schedule 3.

For P. C. Bindal & Co.
 Chartered Accountants

 Partner


 Chartered Accountants (Firm)
 J&K ERA.


 Director
 J&K ERA.



Fw: Balance sheet 2013-14
Krishnendu Sarkar to: Anshu V. Batra

10/28/2014 02:50 PM

fyi

Krishnendu Baran Sarkar
Asian Development Bank - India
☎ 645 (INRM Extn)
For more information see
<http://beta.adb.org/countries/india/contacts>



Sarkar_Krishnendu.vcf
----- Forwarded by Krishnendu Sarkar/INRM/ADB on 28/10/2014 02:50 PM -----

From: Sourav Majumder/INRM/ADB
To: Krishnendu Sarkar/INRM/ADB@ADB,
Cc: Saugata Dasgupta/INRM/ADB@ADB, Ron Slangen/SARD/ADB@ADB, Atsushi Kaneko/SARD/ADB@ADB, Leonardus Boenawan Sondjaja/INRM/ADB@ADB, Anil K. Motwani/INRM/ADB@ADB, Meenakshi Sharma/INRM/ADB@ADB
Date: 28/10/2014 02:49 PM
Subject: Fw: Balance sheet 2013-14

Dear Krishnendu da,

Attached is the audited project accounts for FY2013-14 submitted by Economic Reconstruction Agency for Loan 2151, Loan 2331 and Loan 2925.

Thanks

Sourav

----- Forwarded by Atsushi Kaneko/SARD/ADB on 2014/10/25 19:15 -----

From: M. Teresa Kho/INRM/ADB
To: Saugata Dasgupta/INRM/ADB@ADB, Atsushi Kaneko/SARD/ADB@ADB
Date: 2014/10/25 18:58
Subject: Fw: Balance sheet 2013-14

Saugata/Kaneko-san,

For review and action, as appropriate.

Thanks,

Teresa

-----Forwarded by M. Teresa Kho/INRM/ADB on 10/25/2014 03:27PM -----

To: mtkho@adb.org
From: Shagufta Qazi <qazishagufta@gmail.com>
Date: 10/21/2014 04:03PM
Subject: Balance sheet 2013-14

(See attached file: Audit.pdf)

Please find the attached information for perusal and n/a please.

Regards

Director Finance



J&K ERA Audit.pdf



Jammu and Kashmir
Economic Reconstruction Agency
2nd Floor Commercial Complex Rambagh- Srinagar
13 C/C Gandhi Nagar , Jammu



The Country Director,
INRM, Asian Development Bank,
4-San Martin Marg, Chanakyapuri,
New Delhi-110021.

No. ERA/CEO/1183/Am/1690

Dated: 21-10-2014

Subject: - Loan No. 2151-IND: Multi-Sector Project for Infrastructure Rehabilitation in Jammu & Kashmir (MPIRJK) and Loan No.2331-IND & Loan-2925-IND: Jammu and Kashmir Urban Sector Development Investment Program (JKUSDIP) Project-I & II- Audited Project Accounts for 2013-14.

Madam,

Pursuant to the provisions of the Project Loan Agreements, enclosed kindly find herewith the Audited Accounts of J&K Economic Reconstruction Agency (ERA) pertaining to Loan-2151-IND, Multi-Sector Project for Infrastructure Rehabilitation in Jammu & Kashmir (MPIRJK), Loan-2331-IND & Loan-2925-IND, Jammu and Kashmir Urban Sector Development Investment Program (JKUSDIP) Project- I & II for the financial year 2013-14 for information. Audited Accounts are submitted beyond stipulated time due to massive & unprecedented floods that hit the Kashmir region on 7th September, 2014.

Yours faithfully

Director Finance
J&K ERA

Copy Alongwith copy of Audited Accounts to the:-

1. Joint Secretary, Department of Economic Affairs, Ministry of Finance, Govt., of India, Room No. 67-B, North Block, New Delhi.
2. Controller, Aid Accounts and Audit Division, 5th Floor, B-Wing, Janpath Bhawan, New Delhi.

J&K Economic Reconstruction Agency (ERA)

Subject:- Agenda for approval of the Draft Audited Accounts of ERA for the Financial Year 2013-14.

Resolution by Circulation

1. The audited accounts of J&K Economic Reconstruction Agency (ERA) for the financial year 2013-14 are required to be submitted to ADB by 30th September, 2014 as communicated by Indian Audit and Accounts Department, Office of the Principal Accountant General (Audit), Jammu and Kashmir vide No.DAG(A) Sectt/Misc/2013-14/224 dated 21.4.2013. Therefore, the approval of the Governing Body for draft audited accounts for the financial year 2013-14 is being sought by way of Resolution by Circulation.
2. Byelaw 18 of ERA requires the accounts of ERA to be audited annually by the auditors appointed by the Governing Body. The Governing Body, through 'Resolution by Circulation', appointed M/s P. C. Bindal & Co, 114, B2, South Block, Bahu Plaza , Jammu as statutory Auditors of ERA for the financial years 2012-13 and 2013-14.
3. As per the terms of reference, from 2013-14, the projects assisted by ADB are subject to audit by the Comptroller and Auditor General of India, and the audit certificate is required to be submitted alongwith audited accounts within 6 months from the close of the financial year for reimbursement of Loan by ADB.

The auditors have audited the accounts of ERA for the financial year 2013-14 and the draft audited accounts are placed before the Governing Body for approval. The draft audited accounts comprise of Balance sheet as on 31st March 2014, Receipts and Payments Account for the financial year 2013-14 and Statement of Expenditure for MPIRJK and JKUSDIP projects upto 31st March 2014 along with all schedules annexed thereto. These financial statements, duly initiated by the CEO, ERA (Member Secretary) for the purpose of identification, are placed before the Governing Body for approval.

4. The auditors will sign the Audit Report after approval of the draft audited accounts by the Governing Body.

5. The Governing Body may consider adopting the following resolution:

"RESOLVED that the draft audited accounts of the ERA for the financial year 2013-14 comprising of Balance Sheet as at 31st March 2014, Receipts and Payments Account, and Statement of Expenditure for JKMPIR (Loan 2151-Loan I) , JKUSDIP (Loan 2331-Loan II) projects and JKUSDIP (Loan – 2925-Loan-II) for the financial year 2013-14 along with all schedules annexed thereto, as placed before the Governing Body and initiated by the CEO, ERA for the purpose of identification, be and are hereby approved".

"FURTHER RESOLVED that the CEO, ERA and Director Finance, ERA, be and are hereby, authorized to sign these accounts on behalf of the Governing Body".



Chief Executive Officer
J&K ERA
Member Secretary

1. Hon'ble Chief Minister,
J&K State
2. Sh. Devender Singh Rana,
Hon'ble MLC
3. Sh. Tsetan Namgyal,
Hon'ble MLA Nobra
4. Sh. Irfan Shah,
Hon'ble MLA, Batmaloo
5. Sh. Ashwani Sharma,
Hon'ble MLA Bishnah
6. Chief Secretary, J&K
7. Principal Secretary
Planning and Development Department
8. Principal Secretary
Finance Department



Chairman



Member

Member

Member

Member

Member

Member

Member

16.10.14.



P C BINDAL & CO.
CHARTERED ACCOUNTANTS

Tele. : +91 191 2475199
Fax : +91 191 2470725
Mob. : +91 94191 82799
+91 94191 40837
Email: pcbjmu@gmail.com

Off. : 114 - B2 South Block, Bahu Plaza,
Rail Head, Complex, Jammu-180 012

To the Members of :
JAMMU & KASHMIR ECONOMIC RECONSTRUCTION AGENCY.

Report on the Financial Statements

We have audited the accompanying financial statements of **Jammu & Kashmir Economic Reconstruction Agency** ('J&K ERA') ('the Society'), along with the Balance Sheet, Income & Expenditure Statement and Cash Flow Statement of the MPIRJK and JKUSDIP project financed under Asian Development Bank loan no 2151-IND and 2331-IND for the year ended **31st March 2014**.

These statements are the responsibility of the Project's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit examine, on 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 the management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, subject to what is been stated above and to the best of our information and according to the explanations given to us, the financial statements of 'the Society', presents fairly, in all material respects, the sources and applications of funds of the project for the year ended **31st March 2014** in accordance with the accounting standards prescribed by the ICAI.

In addition to our opinion:

- a) Proceeds of the Loan from ADB have been utilised for the purposes as per ADB loan / Project Agreement.
- b) Financial Covenants in the loan agreement **MPIRJK (Loan-2151-IND)**, **JKUSDIP (Loan 2331-IND)** and **JKUSDIP (Loan 2925-IND)**, dated **17-03-2005**, **28-12-2007** and **16.05.2013** and 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 expenditures incurred ; and (b) except for the ineligible expenditures as detailed in the audit observations , if any, appended to this report, expenditures are eligible for financing under the loan Agreement.





P C BINDAL & CO.
CHARTERED ACCOUNTANTS

Tele. : +91 191 2475199
Fax : +91 191 2470725
Mob. : +91 94191 82799
+91 94191 40837
Email: pcbjmu@gmail.com

Off. : 114 - B2 South Block, Bahu Plaza,
Rail Head, Complex, Jammu-180 012

(ii) (a) The Imprest Accounts give a true and fair view of the receipts collected and payments made during the year ended 31st March 2014; 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 or UT legislature.

Place: JAMMU/SRINAGAR
Dated: 18-10-2014

For P C Bindal & Co.
Chartered Accountants.

FRN.: 0038244

(CA. Samit Gupta)
Partner

M.No.: 093783





Jammu & Kashmir Govt.
Economic Reconstruction Agency

2nd Floor Commercial Complex Rambagh Srinagar-190009
13 C/C Gandhi Nagar , Jammu

ERA

M/s.P C Bindal & Co.
Chartered Accountants
114 B/2 South Block Bahu Plaza
Jammu(J&K).

No.: ERA/CEO/299/Adm/1330

September 04, 2014

Subject: Management Representation Letter regarding Statutory Audit for FY 2013-14.

Sir(s),

This representation letter is provided in connection with your audit of the financial statements of the J&K Economic Reconstruction Agency for the year ended **March 31, 2014** for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the state of affairs of J&K Economic Reconstruction Agency as of March 31, 2014 and of the results of operations for the year then ended. We acknowledge our responsibility for preparation of financial statements in accordance with the requirements of the recognized accounting policies and practices, including the Accounting and Auditing Standards issued by the Institute of Chartered Accountants of India (ICAI).

1. Accounting Policies

The Accounting policies, which are material or critical in determining the results of operations for the year or state of affairs are set out in the financial statements and are consistent with those adopted in the financial statements for the previous year. The financial statements are prepared on cash basis except as stated otherwise in the financial statements.

There are no changes in the accounting policies followed by the branch during the current year.

2. Fixed Assets

- 2.1 The fixed assets held by J&K Economic Reconstruction Agency have been properly accounted for and have been physically verified at the year end. No discrepancies are noticed on such verification.
- 2.2 Fixed Assets Register has been properly maintained at all the Branches. All fixed assets shown in the Balance Sheet are in working condition.
- 2.3 Capital expenditure incurred only for the assets put to use have been fully capitalized and is not shown in Work in process/advances for capital works-Sundry Debtors.
- 2.4 All transfers-in and transfer-out of capital assets have been correctly accounted.

- 2.5 No Depreciation on these assets has been provided in accordance with the cash basis of accounting.
3. **Capital Commitments**
At the balance sheet date, there were no outstanding commitments for capital expenditure other than those disclosed in the financial statements.
4. **Other Current Assets**
In the opinion of the management, other current assets have a value on realization in the ordinary course of the J&K Economic Reconstruction Agency activities which is at least equal to the amount at which they are stated in the balance sheet.
5. **Cash and Bank Balances**
- 5.1 The cash balance as on March 31, 2014 is Rs.41,057/- (Rupees Forty One Thousand Fifty Seven) and has been verified by us.
- 5.2 Balances with Banks as at 31st March 2014 were reconciled.
6. **Liabilities**
The J&K Economic Reconstruction Agency has recorded all known liabilities in the financial statements.
7. **Contingent Liabilities**
The J&K Economic Reconstruction Agency has disclosed in notes to the financial statements all contingent liabilities exist as on the date of financial statements.
8. There have been no events subsequent to the balance sheet date that require adjustment of, or disclosure in, the financial statements or notes thereto.
9. **Statement of Expenditures**
Except as disclosed in the financial statements, the results for the year were not materially affected by:
- (a) transactions of a nature not usually undertaken by the J&K Economic Reconstruction Agency;
 - (b) circumstances of an exceptional or non-recurring nature;
 - (c) charges or credits relating to prior years;
 - (d) changes in accounting policies.
10. **Project Funds**
The project funds have been expended in accordance with the intended purposes as reflected in the financial statements.
11. We have made available to you all the following latest reports on the accounts of our J&K Economic Reconstruction Agency, and compliances by the J&K Economic Reconstruction Agency on the observations contained therein:
- (a) Previous year's statutory audit report;
 - (b) Report of Performance Audit by Office of Accountant General is yet awaited;

Apart from the above, the J&K Economic Reconstruction Agency has not received any show cause notice, inspection advice, etc., from Government of India or any other monitoring or regulatory authority of India that could have a material effect on the financial statements of the J&K Economic Reconstruction Agency during the year.

12. Balancing of Books

The books of the accounts are manual as well as computerized. In case of manual ledgers maintained, We confirm that they duly match with the general ledger balances.

13. There is no enquiry going on or concluded during the year by Central Bureau of Investigation (CBI) or any other vigilance or investigating agency on J&K Economic Reconstruction Agency or on its employees and no cases of frauds or of misappropriation of assets of the J&K Economic Reconstruction Agency have come to the notice of the Management during the year.

14. There have been no irregularities involving management or employees who have a significant role in the system of internal control that could have a material effect on the financial statements.

15. The financial statements are free of material misstatements, including omissions.

16. The J&K Economic Reconstruction Agency has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulating authorities that could have a material effect on the financial statements in the event of non-compliance.

17. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

18. The other particulars required have already been given to you and particulars and other representations made to you from time to time are true and correct in all respects.

19. Taxability

Since J&K ERA has no taxable income hence no Income Tax Return(s) have been filed till date but the J&K ERA has obtained Permanent Income Tax Account Number(PAN). J&K ERA is having Tax Deduction Account Number(TAN) and is complying with the provisions of Tax Deduction at Source.

20. Internal Control/Internal Audit

The Society has its own internal control/Internal Audit System

(Director Finance)

J&K ERA

4/09/14

Jammu & Kashmir Economic Reconstruction Agency

Balance Sheet as at 31st March 2014

Particulars	Sch No.	As at 31.03.2014		As at 31.03.2013	
		₹	₹	₹	₹
SOURCES OF FUNDS					
Grants from Government of J&K			1,28,98,170.00		1,28,98,170.00
Funds for MPIJK (Loan 2151-IND)					
- ADB Funds		11,73,58,91,000.00		10,03,96,40,000.00	
- Counterpart Funds		5,04,10,53,000.00		5,04,05,53,000.00	
- State Funds for Shifting of Utilities		1,00,00,000.00		1,00,00,000.00	
- State Funds for Land acquisition		<u>11,00,60,000.00</u>	16,89,70,04,000.00	<u>11,00,60,000.00</u>	15,20,02,53,000.00
Funds for JKUSDIP (Loan 2331-IND)					
- ADB Funds		1,32,95,29,000.00		72,02,28,000.00	
- Counterpart Funds		<u>2,08,00,00,000.00</u>	3,40,95,29,000.00	<u>2,08,00,00,000.00</u>	2,80,02,28,000.00
Funds for JKUSDIP (Loan 2331-IND)					
- ADB Funds			29,18,79,000.00		
Counterpart Funds for PPTA Phase-II			56,00,000.00		56,00,000.00
Funds for GIS Study			3,00,00,000.00		3,00,00,000.00
Current Liabilities & Payables	"A"		11,16,81,003.00		37,44,64,437.00
Total			<u><u>20,75,85,91,173.00</u></u>		<u><u>18,37,34,43,607.00</u></u>
APPLICATION OF FUNDS					
Fixed Assets	"B"		6,93,58,702.00		6,86,44,415.00
Project Expenditures					
- Prior to MPIJK	"C"	74,96,021.00		74,96,021.00	
- MPIJK (Loan 2151-IND)	"D"	16,31,57,05,861.33		14,46,34,20,962.19	
- JKUSDIP (Loan 2331-IND)	"E"	1,73,19,57,710.21		1,23,11,85,009.21	
- JKUSDIP (Loan 2925-IND)		20,56,18,922.00			
- PPTA Phase-II		12,54,135.00		12,54,135.00	
- GIS Study for Jammu and Srinagar Cities		<u>2,44,24,164.00</u>	18,28,04,56,813.54	<u>2,21,20,164.00</u>	15,72,54,76,291.40
Current Assets, Loans and Advances	"F"		2,40,27,70,657.46		2,57,93,17,900.60
Suspense Account			5,000.00		5,000.00
Total			<u><u>20,75,85,91,173.00</u></u>		<u><u>18,37,34,43,607.00</u></u>
Significant Accounting Policies	"G"				
Notes to Accounts	"H"				

As per our separate report of even date.

For P C Bindal & Co.
Chartered Accountants.

Date: 18-10-2014
Place: Jammu/Srinagar

(Shagufta Qazi)
Director Finance
J&K ERA

(S.Thaseen Mustafa)
CEO
J&K ERA



Jammu & Kashmir Economic Reconstruction Agency
Receipt and Payment Account for the year ended 31st March 2014

Particulars	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
Opening Balances:				
- Cash in hand	59,058.00		18,129.00	
- Cash at Banks	82,31,33,872.60	82,31,92,930.60	1,70,47,11,899.44	1,70,47,30,028.44
RECEIPTS				
<u>MPIRJK (Loan 2151-IND)</u>				
- ADB Funds	1,69,62,51,000.00		1,05,00,00,000.00	
- Counterpart Funds	5,00,000.00		13,15,00,000.00	
- Land Acquisition	-		-	
- Shifting of Utilities	-		-	
- Funds for GIS	-	1,69,67,51,000.00	-	1,18,15,00,000.00
<u>Other Receipts</u>				
- Recovery of Advances	8,39,96,797.00		14,10,04,538.00	
- Retention Money	1,29,22,56,866.00		1,32,51,46,310.00	
- Taxes and Other Duties Deducted(Net)	20,57,19,760.00		12,52,12,074.00	
- Deduction from Salaries	4,04,596.00		3,26,395.00	
- Transport Infrastructure	7,42,751.00		-	
- Consultancy Services	1,42,728.00		-	
- Incremental Administrative Costs	66,27,241.00		-	
- Other Receipts	6,48,000.00	1,59,05,38,739.00	86,10,010.00	1,60,02,99,327.00
<u>JKUSDIP (Loan 2331-IND Trench-I)</u>				
- ADB Funds	60,93,01,000.00		15,00,00,000.00	
- Counterpart Funds	-	60,93,01,000.00	-	15,00,00,000.00
<u>Other Receipts</u>				
- Recovery of Advances	2,36,57,541.00		2,62,29,758.00	
- Retention Money	47,28,47,793.00		49,10,81,533.00	
- Taxes and Other Duties Deducted(Net)	6,52,21,202.00		5,07,02,977.00	
- Deduction from Salaries	20,75,536.00		14,93,333.00	
- Advances from Loan-2151-IND	4,99,81,500.00		-	
- Other Receipts	19,75,892.00	61,57,59,564.00	3,72,049.00	56,98,79,650.00
<u>JKUSDIP (Loan 2925-IND Trench-II)</u>				
- ADB Funds	29,18,79,000.00		-	
- Counterpart Funds	-	29,18,79,000.00	-	-
<u>Other Receipts</u>				
- Recovery of Advances	1,05,54,400.00		-	
- Retention Money	19,92,35,317.00		-	
- Taxes and Other Duties Deducted(Net)	2,69,84,328.00		-	
- Other Receipts	-	23,67,74,045.00	-	-
Total Receipts		5,04,10,03,348.00		3,50,16,78,977.00
PAYMENTS				
<u>MPIRJK (Loan 2151-IND)</u>				
<u>Expenditures</u>				
- Urban Infrastructure	36,36,43,287.00		43,76,72,885.00	
- Transport Infrastructure	83,06,64,518.00		77,99,83,203.00	
- Consultancy Services	8,09,71,830.00		8,12,53,028.05	
- Incremental Administrative Costs	5,68,98,715.89		9,09,79,973.58	
- Out of J&K Grants	-		51,00,834.00	
- Land Acquisition	2,00,000.00	1,33,23,78,350.89	34,998.00	1,39,50,24,921.63
<u>Advances</u>				
- Advances to Govt. Agencies	2,47,78,548.00		3,77,82,323.00	
- Advances to Contractors	3,47,64,000.00		-	
- Advances to Consultants	-		-	
- Advances to Loan-2331-IND	4,99,81,600.00		-	
- Advances to Staff	16,500.00		10,22,500.00	
- Advances to Others	15,44,500.00		-	



Other Payments

- Retention Money	1,50,94,35,789.00		1,38,32,35,031.00	
- Taxes and Other Duties Deducted	21,72,92,961.00		12,53,97,399.00	
- Deduction from Salaries	5,11,711.00	1,72,72,40,461.00	7,90,630.00	1,50,94,23,060.00

JKUSDIP (Loan 2331-IND Trench-I)

Expenditures

- Works	31,21,26,272.00		37,50,74,424.00	
- Consultancy Support	9,43,22,642.00		4,84,33,709.00	
- Incremental Administrative Costs	9,78,58,387.00	50,43,07,301.00	4,29,85,507.21	46,64,93,640.21

Advances

- Advances to Govt. Agencies	2,10,85,555.00		-	
- Advances to Contractors	5,70,26,000.00		8,62,07,541.00	
- Advances to Consultants	-		-	
- Advances to Staff	7,10,000.00		8,748.00	
- Advances to PIU	-		-	
- Advances Trench-I	-	7,88,21,555.00	-	8,62,15,789.00

Other Payments

- Retention Money	47,55,74,793.00		47,43,73,533.00	
- Taxes and Duties Deducted	6,52,80,336.00		5,09,11,814.00	
- Deduction from Salaries	20,70,865.00	54,29,25,994.00	14,96,933.00	52,67,82,280.00

JKUSDIP (Loan 2925-IND Trench-II)

Expenditures

Project Expenditures

- Works	12,84,62,381.00		65,60,490.00	
- Consultancy Support	1,05,74,631.00		-	
- Incremental Administrative Costs	-	13,90,37,012.00	-	65,60,490.00

Advances

- Advances to Govt. Agencies	21,88,99,571.00		34,71,67,000.00	
- Advances to Contractors	45,42,28,248.00		15,00,000.00	
- Advances to Consultants	-		-	
- Advances to Staff	-		-	
- Advances to PIU	-	67,31,27,819.00	-	34,86,67,000.00

Other Payments

- Retention Money	19,28,12,117.00		-	
- Taxes and Duties Deducted	2,69,84,328.00		-	
- Deduction from Salaries	-	21,97,96,445.00	-	-

Expenditure for GIS Study

	23,04,000.00		51,80,000.00	
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Total Payments

	<u>5,33,22,27,689.14</u>		<u>4,38,32,16,074.84</u>	
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Closing Balances:

- Cash in hand	41,057.00		59,058.00	
- Cash at Banks	53,19,27,532.46	53,19,68,589.46	82,31,33,872.60	82,31,92,930.60

Signed as annexure to Balance Sheet.

Date: 18-10-2014
Place: Jammu


(Shagufta Qazi)
Director Finance
J&K ERA


(S. Thaseen Mustafa)
CEO
J&K ERA


(CA. Samit Gupta)
Partner
M.No.: 093783

For P C Bindal & Co.
Chartered Accountants.

Jammu & Kashmir Economic Reconstruction Agency
Receipt and Payment Account of MPIRIK (2151-IND) for the year ended 31st March 2014

Particulars	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
Opening Balances:				
- Cash in hand	55,073.00		18,129.00	
- Cash at Banks	22,48,19,961.81	22,48,75,034.81	39,15,54,454.44	39,15,72,583.44
RECEIPTS				
Project Funds				
- ADB Funds	1,69,67,51,000.00		1,05,00,00,000.00	
- Counterpart Funds	5,00,000.00		13,15,00,000.00	
- Land Acquisition	-		-	
- Shifting of Utilities	-		-	
- Funds for GIS	-	1,69,67,51,000.00	-	1,18,15,00,000.00
Other Receipts				
- Recovery of Advances	8,39,96,797.00		14,10,04,538.00	
- Retention Money	1,29,22,56,866.00		1,32,51,46,310.00	
- Taxes and Other Duties Deducted (Net)	20,57,19,760.00		12,52,12,074.00	
- Deduction from Salaries	4,04,596.00		3,26,395.00	
- Transport Infrastructure	7,42,751.00		-	
- Consultancy Services	1,42,728.00		-	
- Incremental Administrative Costs	66,27,241.00		-	
- Other Receipts	6,48,000.00	1,59,05,38,739.00	86,10,610.00	1,64,02,99,327.00
Total Receipts		3,28,72,89,739.00		2,78,17,99,327.00
PAYMENTS				
Project Expenditures				
- Urban Infrastructure	36,76,43,287.00		43,76,72,885.00	
- Transport Infrastructure	83,06,64,518.00		77,99,83,203.00	
- Consultancy Services	8,09,71,830.00		8,12,53,028.05	
- Incremental Administrative Costs	5,68,98,715.89		9,09,79,973.58	
- Out of J&K Grants	-		51,00,834.00	
- Land Acquisition	2,00,000.00	1,33,23,78,350.89	34,898.00	1,39,50,24,921.63
Advances				
- Advances to Govt. Agencies	2,47,78,548.00		3,77,82,323.00	
- Advances to Contractors	3,47,64,000.00		-	
- Advances to Consultants	-		-	
- Advance to Loan-2331-IND	4,99,81,600.00		-	
- Advances to Staff	16,500.00		10,22,500.00	
- Advances to Others	15,44,500.00		-	
- Advances to/by PIU	12,03,603.25	11,22,88,751.25	64,071.00	3,88,68,894.00
Other Payments:				
MPIRIK Loan-2151-IND				
- Retention Money	1,50,94,35,289.00		1,78,32,35,031.00	
- Taxes and Other Duties Deducted	21,72,92,961.00		12,53,97,399.00	
- Deduction from Salaries	5,11,711.00	1,72,72,40,461.00	7,90,630.00	1,50,94,23,060.00
Expenditure for GIS Study		23,04,000.00		51,80,000.00
Total Payments		3,17,42,11,563.14		2,94,84,96,875.63
Closing Balances:		33,79,53,210.67		22,48,75,034.81
- Cash in hand				
- Cash in hand-PMU	-		55,058.00	
- Cash in hand-PIU Jammu	251.00	251.00	15.00	55,073.00
- Cash at Banks				
- J&K Bank-PMU-JKMPRI	34,802.00		34,802.00	
- J&K Bank-PMU-JKMPRI	0.72		22,35,64,256.25	
- J&K Bank-PMU-SDG-047 MPIRIK	33,79,01,092.64		-	
- J&K Bank-PIU Jammu	16,773.78		6,12,781.78	
- J&K Bank-PIU Kashmir	290.53	33,79,52,959.67	6,08,121.78	22,48,19,961.81
Total		33,79,53,210.67		22,48,75,034.81

Signed as annexure to Balance Sheet.

Date: 18-10-2014
 Place: Jammu/Srinagar

(Shagufta Qazi)
 Director Finance
 J&K ERA

(S.Thaseen Mustafa)
 CEO
 J&K ERA

For P C Bindal & Co.
 Chartered Accountants
 (CA) Samit Gupta
 Partner
 M No -093283

Jammu & Kashmir Economic Reconstruction Agency
Receipt and Payment Account of JKUSDIP(2331-IND) & JKUSDIP(2925-IND) for the year ended 31st March 2014

Particulars	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
Opening Balances:				
- Cash in hand	3,985.00			
- Cash at Banks	59,83,13,910.79	59,83,17,895.79	1,31,31,57,445.00	1,31,31,57,445.00
RECEIPTS				
Loan 2331-IND Trenches:				
Project Funds				
- ADB Funds	60,93,01,000.00		15,00,00,000.00	
- Counterpart Funds		60,93,01,000.00		15,00,00,000.00
Other Receipts				
- Recovery of Advances	2,16,57,541.00		2,62,29,758.00	
- Retention Money	47,28,47,793.00		49,10,81,533.00	
- Taxes and Other Duties Deducted(Net)	6,52,21,402.00		5,07,02,977.00	
- Deduction from Salaries	20,75,536.00		14,93,333.00	
- Advances from Loan-2151-IND	4,09,81,650.00			
- Other Receipts	19,75,892.00	61,57,59,564.00	3,72,049.00	56,90,79,650.00
Loan 2925-IND Trenches:				
Project Funds				
- ADB Funds	29,18,79,600.00			
- Counterpart Funds		29,18,79,600.00		
Other Receipts				
- Recovery of Advances	1,05,54,400.00			
- Retention Money(Net)	19,92,35,317.00			
- Taxes and Other Duties (deducted)Net)	2,69,84,128.00			
- Deduction from Salaries				
- Other Receipts		23,67,74,045.00		
Total Receipts		1,75,37,13,609.00		71,98,79,650.00
PAYMENTS				
Loan 2331-IND Trenches:				
Project Expenditures				
- Works	31,26,26,772.00		37,50,74,424.00	
- Consultancy Support	9,63,21,647.00		4,84,33,705.00	
- Incremental Administrative Costs	9,28,56,267.00	50,43,07,301.00	4,29,85,507.21	46,64,93,640.21
Advances				
- Advances to Govt. Agencies	2,10,95,555.00			
- Advances to Contractors	5,70,26,000.00		8,62,07,541.00	
- Advances to Consultants				
- Advances to Staff	7,10,000.00		8,748.00	
- Advances to PIU				
- Advances Trenches		7,88,21,558.00		8,60,15,789.00
Loan 2925-IND Trenches:				
Project Expenditures				
- Works	17,84,63,381.00		65,60,480.00	
- Consultancy Support	1,05,74,621.00			
- Incremental Administrative Costs		13,90,47,012.00		65,60,480.00
Advances				
- Advances to Govt. Agencies	71,84,99,573.00		34,71,67,000.00	
- Advances to Contractors	45,42,20,208.00		15,00,000.00	
- Advances to Consultants				
- Advances to Staff				
- Advances to PIU		67,31,27,819.00		34,86,67,000.00
Other Payments				
JKUSDIP Loan-2331-IND				
- Retention Money	47,15,74,495.00		47,43,73,533.00	
- Taxes and Duties Deducted	6,52,21,402.00		5,09,11,814.00	
- Deduction from Salaries	20,75,865.00	54,29,25,899.00	14,96,943.00	52,67,82,280.00
JKUSDIP Loan-2925-IND				
- Retention Money	19,28,12,117.00			
- Taxes and Duties Deducted	2,69,84,128.00			
- Deduction from Salaries		21,97,96,445.00		
Total Payments		2,15,80,18,126.00		1,43,47,19,199.21
Closing Balances:		19,40,15,378.79		59,83,17,895.79
- Cash in hand				
- Cash in hand-PMU JKUSDIP	40,806.00	40,806.00	3,985.00	3,985.00
- Cash at Banks				
- J&K Bank-PMU-JKUSDIP	(9.21)		59,83,13,910.79	
- J&K Bank-PMU-SBG-041 JKUSDIP L-1	13,64,53,582.00			
- J&K Bank-PMU-SBG-043 JKUSDIP L-2	5,25,21,000.00	19,18,74,572.79		59,83,13,910.79
Total		19,40,15,378.79		59,83,17,895.79

Signed as annexure to Balance Sheet.

Date: 10-10-2014
 Place: Jammu/Srinagar

[Signature]
 [Shagufta Qureshi]
 Director Finance

[Signature]
 [S.Thaseeb Mustafa]
 CEO

For P C Bindal & Co.
 Chartered Accountants

[Signature]
 ICA-Samir Gupta



Jammu & Kashmir Economic Reconstruction Agency

**Statement of Expenditures on J&K Urban Sector Development Investment Programme-Project-1 (JKUSDIP Loan 2331-IND)
From Inception to 31st March 2014**

Particulars	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
A: Expenditures				
- Works	1,20,38,75,584.00		89,17,49,312.00	
- Consultancy Services	31,90,61,208.00		22,47,38,566.00	
- Incremental Administrative Costs	<u>21,95,73,206.21</u>	1,74,25,09,998.21	<u>12,47,31,811.21</u>	1,24,12,19,689.21
B: Advances				
- Works	35,17,34,900.00		31,83,51,441.00	
- Consultancy Services	(2,02,479.00)		(2,02,479.00)	
- Incremental Administrative Costs	34,480.00		(2,219.00)	
- Land Acquisition	<u>2,24,85,555.00</u>	37,40,52,456.00	<u>14,00,000.00</u>	31,95,46,743.00
Less:				
C: Retention Money/Security Deposits				
- Works	3,32,38,000.00		3,59,65,000.00	
- Incremental Administrative Costs	<u>40,000.00</u>	3,32,78,000.00	<u>40,000.00</u>	3,60,05,000.00
Total		<u>2,08,32,84,454.21</u>		<u>1,52,47,61,432.21</u>

Signed as annexure to Balance Sheet.

For P C Bindal & Co.
Chartered Accountants.

Date : 10-10-2014
Place: Jammu/Srinagar


(Shagufta Qazi)
Director Finance
J&K ERA


(S.Thaseen Mustafa)
CEO
J&K ERA



(CA.Samit Gupta)
Partner
M.No.:093783

Jammu & Kashmir Economic Reconstruction Agency

Statement of Expenditures on J&K Urban Sector Development Investment Programme-Project-2 (JKUSDIP Loan 2925-IND) From Inception to 31st March 2014

Particulars	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
A: Expenditures				
- Works	14,64,79,381.00		-	
- Consultancy Services	1,05,74,631.00		-	
- Incremental Administrative Costs	-		-	
- Resettlement Plan	76,19,490.00		-	
- Land Acquisition	4,09,45,420.00	20,56,18,922.00	-	
B: Advances				
- Works	38,70,81,743.00		-	
- Equipment	28,17,000.00		-	
- Consultancy Services	-		-	
- Incremental Administrative Costs	-		-	
- Resettlement Plan	56,01,07,000.00		36,66,38,490.00	
- Shifting Utilities	17,43,22,050.00		13,85,63,945.00	
- Land Acquisition	14,30,26,151.00	1,26,73,53,944.00	16,61,60,000.00	67,13,62,435.00
Less:				
C: Retention Money/Security Deposits				
- Works	64,23,200.00		-	
- Incremental Administrative Costs	-	64,23,200.00	-	
Total		1,46,65,49,666.00		67,13,62,435.00


Signed as annexure to Balance Sheet.

Date: 18-10-2014
Place: Jammu/Srinagar


(Shagufta Qazi)
Director Finance
J&K ERA


(S.Thaseen Mustafa)
CEO
J&K ERA



For P C Bindal & Co.
Chartered Accountants.

(CA.Samit Gupta)
Partner
M.No.:093783


Jammu & Kashmir Economic Reconstruction Agency

Statement of Expenditures on Multi Sector Project for Infrastructure Rehabilitation in J&K (MPIRIK Loan 2151-IND) From Inception to 31st March 2014

Component	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
<u>A: Expenditures</u>				
- Rehabilitation of Urban Infrastructure	6,05,06,96,800.00		5,58,28,30,546.00	
- Rehabilitation of Roads & Bridges	8,72,99,56,834.50		7,49,02,61,536.50	
- Capacity Building & Implementation Costs	1,50,57,19,634.83		1,37,43,35,294.69	
- Land Acquisition	<u>8,10,72,222.00</u>	16,36,74,45,491.33	<u>6,75,36,536.00</u>	14,51,49,63,913.19
<u>B: Advances</u>				
- Rehabilitation of Urban Infrastructure	35,91,394.00		15,55,03,173.00	
- Rehabilitation of Roads & Bridges	4,74,74,755.00		34,54,58,418.00	
- Capacity Building & Implementation Costs	15,09,670.00		8,91,195.00	
- Land Acquisition	2,64,18,517.00		3,75,83,243.00	
- Shifting Utilities Unallocated	<u>79,57,100.00</u>	8,69,51,436.00	<u>22,39,72,500.00</u>	76,34,08,529.00
<u>Less:</u>				
<u>C: Retention Money/Security Deposits</u>				
- Rehabilitation of Urban Infrastructure	1,39,39,675.00		5,96,96,099.00	
- Rehabilitation of Roads & Bridges	2,36,12,321.00		19,53,31,449.00	
- Capacity Building & Implementation Costs	<u>36,25,783.00</u>	4,11,77,779.00	<u>32,89,065.00</u>	25,83,16,613.00
Total		<u><u>16,41,32,19,148.33</u></u>		<u><u>15,02,00,55,829.19</u></u>

Signed as annexure to Balance Sheet.

Date: 18-10-2014
Place: Jammu/Srinagar


(Shagufta Qazi)
Director Finance
J&K ERA


(S. Thaseen Mustafa)
CEO
J&K ERA



For P C Bindal & Co.
Chartered Accountants.

(CA. Samit Gupta)
Partner
M.No.:093783

Jammu & Kashmir Economic Reconstruction Agency

Schedule annexed to & forming part of Balance Sheet as at 31st March 2014

Particulars	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
Schedule-"A"				
Current Liabilities & Payables				
A: For MPIRIK (Loan 2151-IND)				
- Sundry Creditors				
- Consultants	34,11,628.00		30,74,910.00	
- Contractors	3,75,51,996.00		25,50,27,548.00	
- Suppliers/Service Providers	2,14,155.00	4,11,77,779.00	2,14,155.00	25,83,16,613.00
Taxes, Duties, etc., deducted & payable		4,77,324.00		4,70,795.00
Other Liabilities		2,86,69,996.00		2,80,21,996.00
Total (A)		7,03,25,099.00		28,68,09,404.00
B: For JKUSDIP (Loan 2331-IND)				
- Sundry Creditors				
- Consultants	17,10,853.00		17,10,853.00	
- Contractors	3,32,38,000.00		3,59,65,000.00	
- Suppliers/Service Providers	40,000.00	3,49,88,853.00	40,000.00	3,77,15,853.00
Taxes, Duties, etc., deducted & payable		(56,149.00)		(60,820.00)
Total (B)		3,49,32,704.00		3,76,55,033.00
B: For JKUSDIP (Loan 2925-IND)				
- Sundry Creditors				
- Consultants				
- Contractors	64,23,200.00			
- Suppliers/Service Providers		64,23,200.00		
Taxes, Duties, etc., deducted & payable				
Total (C)		64,23,200.00		
Total (A+B+C)		11,16,81,003.00		32,44,64,437.00



Particulars	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
Schedule-"B"				
Fixed Assets				
Fixed Assets out of J&K Govt. Grants				
- Vehicles	32,85,318.00		32,85,318.00	
- Jammu Office Renovation	25,00,000.00		25,00,000.00	
- Furniture & Fixtures	11,00,000.00		11,00,000.00	
- Office Equipemtns	1,81,466.00	70,66,784.00	1,81,466.00	70,66,784.00
Fixed Assets out of MPIRJK Funds				
- Vehicles	75,22,040.00		75,22,040.00	
- Jammu Office Renovation	18,45,772.00		18,45,772.00	
- Srinagar Office Renovation	40,55,724.00		40,55,724.00	
- Furniture & Fixtures	43,13,682.80		43,13,682.80	
- Office Equipemtns	1,80,83,158.05		1,79,70,240.05	
- Taxes & Duties on Fixed Assets	19,02,498.15	3,77,22,875.00	19,02,498.15	3,76,09,957.00
Fixed Assets out of JKUSDIP Funds				
- Furniture & Fixtures	6,73,649.00		3,68,106.00	
- Office Equipemtns	24,72,504.48		22,94,039.48	
- Taxes & Duties on Fixed Assets	81,354.52	32,27,508.00	81,354.52	27,43,500.00
Fixed Assets with Consultants				
MPIRJK				
- Project Management Consultants	63,90,788.00		63,07,027.00	
- Design & Supervision Consultants				
- Urban Jammu	23,63,890.00		23,63,890.00	
- Urban Kashmir	15,89,143.00		15,89,143.00	
- Transport Jammu	15,16,249.00		15,16,249.00	
- Transport Kashmir	21,56,685.00	1,40,16,755.00	21,56,685.00	1,39,32,994.00
JKUSDIP				
- Project Support Consultants	39,90,073.00		39,90,073.00	
- Design & Supervision Consultant-Jammu	33,34,707.00	73,24,780.00	33,01,107.00	72,91,180.00
Total		6,93,58,702.00		6,86,44,415.00

Particulars	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
Schedule-"C"				
Expenditure Out of J&K Grants				
- Income Tax Demands		51,00,834.00		51,00,834.00
Expenditure Prior to MPIRJK				
- Salaries	15,08,041.00		15,08,041.00	
- Rent, Rates & Taxes	4,09,221.00		4,09,221.00	
- Travelling Expenses	1,58,265.00		1,58,265.00	
- Telephone Expenses	54,472.00		54,472.00	
- Vehicle Operating Expenses	1,75,367.00		1,75,367.00	
- Office Expenses	83,701.00		83,701.00	
- Publicity and Advertisement	6,120.00	23,95,187.00	6,120.00	23,95,187.00
Total		74,96,021.00		74,96,021.00



Jammu & Kashmir Economic Reconstruction Agency

Schedule Annexed to and forming part of Balance Sheet as at 31st March 2014

Schedule : "D" Expenditure on MPIRJK (Loan 2151-IND)

Component	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
Rehabilitation of Urban Infrastructure				
- Water Supply in Jammu	2,43,72,88,065.00		2,39,87,72,395.00	
- Drainage System in Jammu	1,04,66,09,107.00		1,04,42,80,764.00	
- Water Supply in Srinagar	1,03,10,04,189.00		93,01,36,379.00	
- Drainage System in Srinagar	<u>1,53,57,95,439.00</u>	6,05,06,96,800.00	<u>1,20,96,41,008.00</u>	5,58,28,30,546.00
Rehabilitation of Roads & Bridges				
- Roads in Jammu	2,13,86,61,405.00		1,97,45,84,668.00	
- Bridges in Jammu	8,98,27,587.00		7,69,13,800.00	
- Roads in Kashmir	5,87,42,87,335.00		4,90,09,66,656.00	
- Bridges in Kashmir	<u>62,71,80,507.50</u>	8,72,99,56,834.50	<u>53,77,96,412.50</u>	7,49,02,61,536.50
Capacity Building & Implementation Costs				
- Consultancy Services				
- Project Management Consultant	24,15,03,237.00		21,45,44,761.00	
- Design & Supervision Consultant-Urban Jmu	11,71,04,641.00		11,56,43,019.00	
- Design & Supervision Consultant-Urban Kmr	12,57,50,492.00		11,33,09,671.00	
- Design & Supervision Consultant-Transport Jmu	15,52,38,992.00		13,44,33,324.00	
- Design & Supervision Consultant-Transport Kmr	<u>22,33,29,654.00</u>	86,29,77,016.00	<u>20,42,50,900.00</u>	78,21,81,675.00
- Incremental Administration Costs				
- Project Management Unit(PMU)	11,13,90,679.64		10,39,27,597.75	
- Project Implementation (PIU)- Jammu	26,30,60,609.22		24,06,07,120.72	
- Project Implementation Unit(PIU)- Kashmir	24,09,82,658.47		21,35,13,885.22	
Less: Recoveries and Receipts	<u>(2,54,31,586.50)</u>	59,00,02,360.83	<u>(1,84,88,562.50)</u>	53,95,60,040.69
Expenses out of Counterpart Funds				
- Land Acquisition		8,10,72,222.00		6,75,36,536.00
Training on Project Management and O&M		10,50,628.00		10,50,628.00
Total		<u>16,31,57,05,861.33</u>		<u>14,46,34,20,962.19</u>

Note: Cost of Fixed Assets acquired out of the Project Funds is shown in Schedule "B" Fixed Assets



Jammu & Kashmir Economic Reconstruction Agency

Schedule Annexed to and forming part of Balance Sheet as at 31st March 2014

Schedule : "E" Expenditure on JKUSDIP-Project-1 (Loan 2331-IND) and Project-2 (Loan 2925-IND)

Particulars	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
A. JKUSDIP-Project-1 (Loan 2331-IND)				
Works				
- Water Supply	13,98,56,614.00		12,33,76,563.00	
- Sewerage	71,97,07,255.00		58,56,33,200.00	
- Solid Waste Management	34,43,11,715.00	1,20,38,75,584.00	18,27,39,549.00	89,17,49,312.00
Consultancy Services				
- Project Support Consultants	8,97,73,944.00		8,97,73,944.00	
- Design & Supervision Consultants-Jammu	14,66,37,512.00		9,02,37,075.00	
- Design & Supervision Consultants-Kashmir	7,53,24,972.00	31,17,36,428.00	3,74,36,367.00	21,74,47,386.00
Incremental Administrative Support				
- Project Management Unit(PMU)	8,80,58,677.21		5,30,22,437.21	
- Project Implementation (PIU)- Jammu	8,90,59,933.00		5,16,18,696.00	
- Project Implementation Unit(PIU)- Kashmir	4,27,70,153.00		1,89,23,491.00	
Less: Recoveries and Receipts	(35,43,065.00)	21,63,45,698.21	(15,76,313.00)	12,19,88,311.21
Total		1,73,19,57,710.21		1,23,11,85,009.21
B. JKUSDIP-Project-2 (Loan 2925-IND)				
Works				
- Water Supply	87,17,500.00		-	
- Sewerage	3,11,11,509.00		-	
- Solid Waste Management	10,66,50,372.00	14,64,79,381.00	-	
Consultancy Services				
- Project Support Consultants	1,05,74,631.00		-	
- Design & Supervision Consultants-Jammu	-		-	
- Design & Supervision Consultants-Kashmir	-	1,05,74,631.00	-	
Incremental Administrative Support				
- Project Management Unit(PMU)	-		-	
- Project Implementation (PIU)- Jammu	-		-	
- Project Implementation Unit(PIU)- Kashmir	-		-	
Expenses Out of Counterpart Funds				
- Land Acquisition		4,85,64,910.00		
Total		20,56,18,922.00		-

Note: Cost of Fixed Assets acquired out of the Project Funds is shown in Schedule "B" Fixed Assets



Particulars	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
Schedule-"F"				
Current Assets, Loans & Advances				
Loans & Advances-MPIRJK				
- Advances to Employees for Official Purposes	37,711.00		37,703.00	
- Advances to Govt.Agencies for Shifting Utilities	14,81,38,069.00		64,39,68,400.00	
- Advances to Govt.Agencies for Land	2,64,18,517.00		3,75,83,243.00	
- Advances to Contractors	5,10,66,149.00		8,09,65,691.00	
- Advances to Consultants	(65,900.00)		(65,900.00)	
- Advances to Others	15,04,635.00	22,70,99,181.00	4,30,168.00	76,29,19,305.00
Loans & Advances-JKUSDIP(Trenche-I)				
- Advances to Employees for Official Purposes	34,480.00		(2,219.00)	
- Advances to Govt.Agencies for Land	2,24,85,555.00		14,00,000.00	
- Advances to Contractors	35,17,34,900.00		31,83,51,441.00	
- Advances to Others	(2,02,479.00)	37,40,52,456.00	(2,02,479.00)	31,95,46,743.00
Loans & Advances-JKUSDIP(Trenche-II)				
- Advances to Govt.Agencies for Land	14,30,26,151.00		16,61,60,000.00	
- Advances to Govt.Agencies for Resettlement	56,01,07,000.00		36,66,38,490.00	
- Advances to Contractors	38,98,98,743.00		-	
- Advances to Govt.Agencies for Shifting Utilities	17,43,22,050.00	1,26,73,53,944.00	13,85,63,945.00	67,13,62,435.00
Loans & Advances-Others				
- Advances for GIS		22,96,487.00		22,96,487.00
Cash at Bank in Current Accounts with				
- J&K Bank-SGJA-MPIRJK	34,802.00		34,802.00	
- J&K Bank-PMU-MPIRJK	0.72		22,35,64,256.25	
- J&K Bank-PMU-JKUSDIP	(9.21)		59,83,13,910.79	
- J&K Bank-PMU-SBG-042 MPIRJK	33,79,01,092.64		-	
- J&K Bank-PMU-SBG-041 JKUSDIP L-I	13,64,53,582.00		-	
- J&K Bank-PMU-SBG-043 JKUSDIP L-II	5,75,21,000.00		-	
- J&K Bank-PIU Jammu	16,773.78		6,12,781.78	
- J&K Bank-PIU Kashmir	290.53	53,19,27,532.46	6,08,121.78	82,31,33,872.60
Cash in Hand				
- Cash in Hand PMU-MPIRJK	-		55,058.00	
- Cash in Hand PMU-JKUSDIP	40,806.00		3,985.00	
- Cash in Hand PIU Jammu	251.00	41,057.00	15.00	59,058.00
Total		2,40,27,70,657.46		2,57,93,17,900.60





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INDEPENDENT AUDITOR'S REPORT

To the Members of :
JAMMU & KASHMIR ECONOMIC RECONSTRUCTION AGENCY.

Report on the Financial Statements

We have audited the accompanying financial statements of **Jammu & Kashmir Economic Reconstruction Agency ('J&K ERA')** ("the Society"), which comprises the Balance Sheet, related schedules, Receipts and Payments account and Statement of Expenditures of the three projects as at **31st March, 2014**, and summary of significant accounting policies and other explanatory information. The three projects that J&K ERA has been implementing are following:

1. Multi-Sector Project for infrastructure Rehabilitation in Jammu & Kashmir (MPIRJK);
2. Jammu & Kashmir Urban Sector Development Investment Programme- Project-I (JKUSDIP);
3. Jammu & Kashmir Urban Sector Development Investment Programme- Project-II (JKUSDIP); and
4. Geographical Information System.

The 'MPIRJK and JKUSDIP are both funded by the 'Asian Development Bank and co-funded by the 'Government of India' and 'Government of Jammu & Kashmir'.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial positions and financial performance of 'the Society' in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, subject to what is been stated above and to the best of our information and according to the explanations given to us, the financial statements of 'the Society', read together with the appended accounts





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policies and notes thereon and subject to the comments and opinion stated herein, give a true and fair view (or presents fairly, in all material respects) the cash receipts and expenditures during the year ended **31st March 2014** in accordance with the accounting standards prescribed by the ICAI in respect of :

- (i) the attached Balance Sheet of J&K ERA as at **31st March 2014**;
- (ii) the **two** Statements of Expenditures for the projects MPIRJK (Loan 2151-IND), JKUSDIP (Loan 2331-IND) and JKUSDIP (Loan 2925-IND) as at **31st March 2014**; and
- (iii) in the case of Receipts and Payments Statement for the year ended on **31st March 2014**.

Report on Other Legal and Regulatory Requirements

Based on our audit of the accompanying financial statements, we report that:

- a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. The financial statements as dealt with by us in this report are in agreement with the books of accounts maintained at the Project Management Unit.

Other Matters

- a. The Project Management Unit (PMU) makes advances of money to the two Project Implementation Unit (PIU) for implementation of the project and record expenses reported by them against the advances.
- b. The advances to the tune of ₹64,39,68,400/- are outstanding for the longer periods. Though the J&K ERA has demonstrated that the action and correspondence have been made to the respective departments and parties to whom the advances have been paid but there has been no proper response for advances to the tune of ₹14,81,38,069/-, therefore we are unable to verify the actual recoverability of these advances in cash/kind.
- c. There is a suspense amount of ₹5,000/- outstanding for reconciliation from previous accounting periods other than under audit and has been separately reflected in the financial statements.
- d. Though at present there is no internal audit system prevailing in the society but the Society has taken steps towards establishment of internal audit system and TOR has been sent to ADB for approval.

For P C Bindal & Co.
Chartered Accountants.
FRN.: 003824N



(CA. Samit Gupta)
Partner
M.No.: 093783

Place : JAMMU/SRINAGAR
Dated : 10-10-2014

Jammu & Kashmir Economic Reconstruction Agency

Schedule "G"- Significant Accounting Policies

1. System of Accounting

1.1 Financial statements of Jammu & Kashmir Economic Reconstruction Agency (J&K ERA) consists of Balance Sheet, supporting schedules, Receipt and Payment Account, Statement of Expenditures(SOE) for MPIRJK (Loan 2151-IND), JKUSDIP (Loan 2331-IND, Tranche-I) and MPIRJK (Loan 2925-IND, Tranche-II)

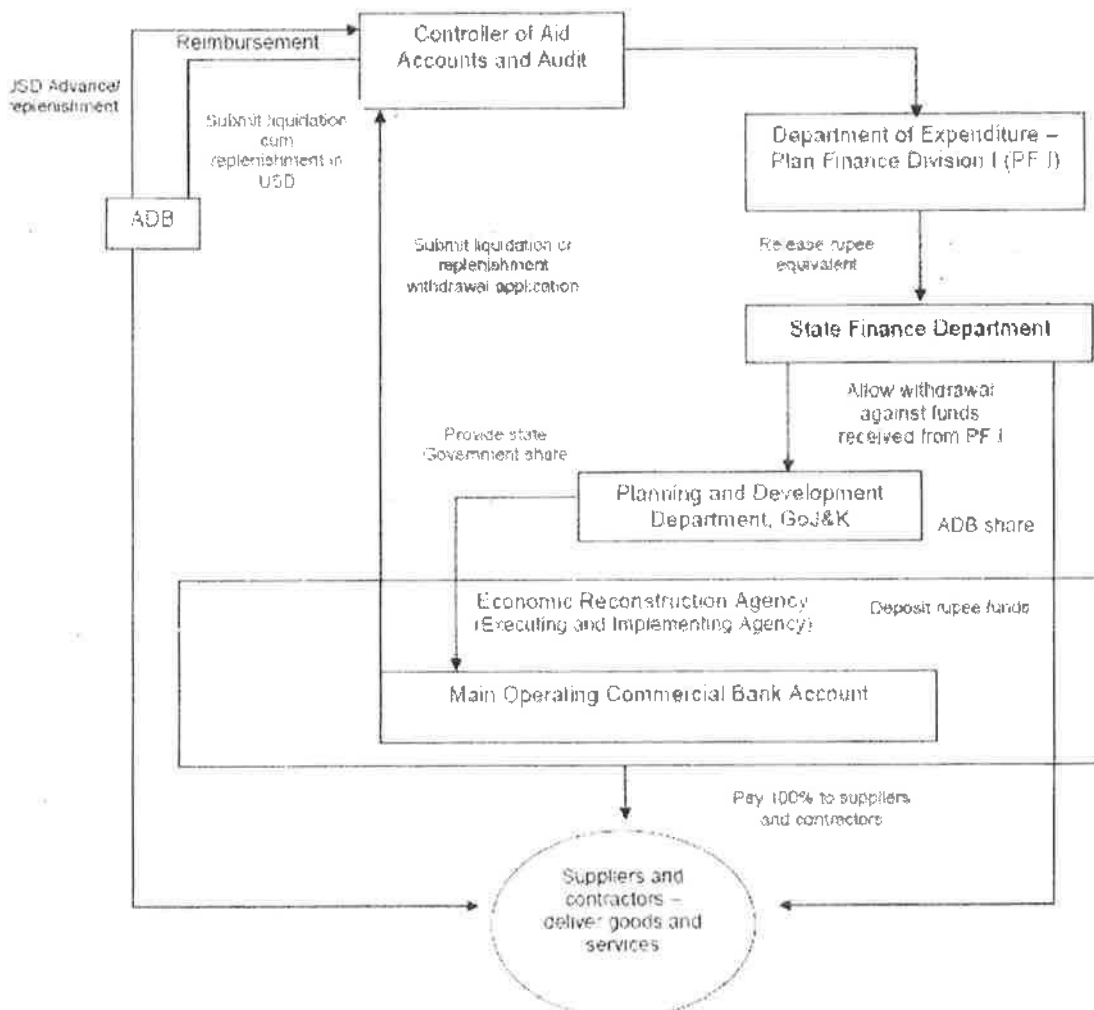
1.2 These financial statements have been prepared in accordance with the generally accepted accounting standards, as applicable in India and are consistently being followed.

1.3 The financial statements are prepared on cash basis and under historical cost and going concern conventions.

2. Fund Flow Mechanism

The following diagram depicts the Fund Flow of Project Funds:

E. Fund Flow Diagram



ADB = Asian Development Bank. GoJ&K = Government of Jammu and Kashmir.

3. Fixed Assets and Depreciation

- 3.1. Fixed assets are stated at acquisition cost. No depreciation is provided on fixed assets in line with the cash basis of accounting.
- 3.2. Assets like office furniture and fixtures, office equipment, vehicles, computers, etc., purchased by the Project Management Unit(PMU) and Project Implementation Units(PIUs) out of funds for Multi-Sector Project for Infrastructure Rehabilitation in J&K(MPIRJK Loan 2151-IND) and J&K Urban Sector Development Investment Program-Project-1 (JKUSDIP Loan 2331-IND) & Program-Project-2 (JKUSDIP Loan 2925-IND) are accounted for under fixed assets. Vehicles and office equipment purchased out of the initial grants from the Govt. of J&K are also accounted for under Fixed Assets.
- 3.3. Fixed Assets purchased by the Project Consultants-Project Management Consultants (PMC), Project Support Consultants (PSC) and Design and Supervision Consultants (DSCs) out of the funds provided by J&K ERA are also accounted for under fixed assets and are held with PMC, PSC and DSCs. These assets being the property of J&K ERA, adequate controls for their safe keeping is the prime responsibility of PMC, PSC and DSCs, till these are handed over to J&K ERA on completion of the project.

4. Advance & Other Receivables

- 4.1 The Project Management Unit (PMU) makes advances to the two Project Implementation Unit (PIU) for implementation of the project and record expenses reported by them against the advances.
- 4.2 Advances given on Shifting of Utilities are settled as soon as Utilization Certificates are received with proper approval by the competent authority.
- 4.3 Interest free mobilization advance is paid to the contractors at a rate specified in the contract (Ten/Twenty percent of the accepted amount less provisional sums). Repayment of the same is due when payments are 20% of the accepted contract amount less provisional sums. Thereafter, these advances are recovered through deduction from interim payments at a rate specified in the respective contract.

5. Project Expenditures

All expenditures on civil works, equipment, materials, consulting services and administration for the projects/programmes being executed by J&K ERA on behalf of the Govt. of J&K viz., MPIRJK, JKUSDIP, GIS for Jammu and Srinagar cities, and PPTA for phase-II are carried forward under the head "Project Expenditure" in the Balance Sheet. Direct costs (including civil works, equipment and materials, etc.) are aggregated under individual contracts for sub projects. Indirect implementation costs (Consulting services and administration costs) are being aggregated for each consultancy contract, PIU and

6. **Income**

All recoveries and receipts incidental to contracts like interest on advances and penalties from contractors and consultants, sale of bid documents are accumulated separately and reduced from expenditures on incremental administration costs.

7. **Employee Costs**

All employee costs, including retirement benefits, if any, are being accounted for on cash basis.

8. **Accounting for Grants**

J&J ERA had received an initial grant of ₹1,28,98,170/- from the Govt. of J&K. This is being accounted for on cash basis under individual heads of grants and disclosed in the Balance Sheet under Sources of Funds.

9. **Interest expenses and Financial Charges**

The project loan from Asian Development Bank (ADB) and the counterpart share is passed on by the Govt. of India to the Govt. of J&K as 90% grant and 10% loan. These funds are transferred to J&K ERA by the State Govt. for project implementation. Interest during construction and commitment charges to ADB are payable by the Govt. of India. Govt. of J&K is liable to pay interest only on the 10% loan component to Govt. of India. J&K ERA is not subject to any commitment or interest charges on ADB loan and hence the same have not been accounted for in the books of J&K ERA.

10. **Recoveries and Receipts incidental to Contracts**

All recoveries and receipts incidental to contracts like interest on advances and penalties from contractors and consultants, sale of bid documents, charges for damage/permission for laying cables, etc. along road and bridge sub-projects are accumulated separately and reduced from expenditures on incremental Administration costs.

11. **Allocation of Administrative Expenses for MPIRJK and JKUSDIP**

Administrative expenses of PIUs for MPIRJK and JKUSDIP are charged to the respective project accounts. Administrative expenses of the PMU, except for the officers associated with MPIRJK are charged to JKUSDIP.



Jammu & Kashmir Economic Reconstruction Agency

Schedule "H"- Notes to Accounts

1. Reporting Entity

J&K Economic Reconstruction Agency is a Special Purpose Vehicle for Implementation of Externally Aided Projects. It is a Society registered under Societies Registration Act of 1941 AD. ERA came into being on 28th Dec 2004. Hon'ble Chief Minister, J&K is the Chairman of the Governing Body of ERA, which is the highest decision making body. The Territorial limits of the state (J&K) are the operational areas of J&K ERA.

2. Reporting Period

Financial statements are for the financial year ended on March 31st 2014. Previous year's figures are for the financial year ended March 31st 2013.

3. Financial Statements

3.1. Financial statements consist of Balance Sheet, supporting schedules, Receipt and Payment account, Statement of Expenditure for MPIRJK (Loan 2151-IND), JKUSDIP Project-1 (Loan 2331-IND) and JKUSDIP Project-2 (Loan 2925-IND), Significant Accounting Policies and Notes to Accounts.

3.2. Balance Sheet is a statement of affairs of J&K ERA as at 31st March 2014 representing its financial position as on that date. Receipts & Payment Account is a summary of all receipts and payments during the financial year 2013-14 and cash & bank balances as at 31st March 2014. The Statement of Expenditure (in place of Income & Expenditure Statement) is prepared under the broad heads of project expenditures as specified in the project loan agreements and include all payments since inception of the project to 31st March 2014 under MPIRJK and JKUSDIP Project-1 & Project-2.

3.3. Since J&K Era was constituted for implementation of externally aided infrastructure projects in the state of Jammu & Kashmir, the administration and operating costs of J&K ERA are also funded/charged against the projects execute by it. Such costs have been disclosed under the head "Project Expenditure" in Balance Sheet and in the statement of expenditure hence no separate Income & Expenditure Statement has been prepared.

4. Statement of Project Expenditure

A separate Statement of Expenditure has been prepared for each of the project loan i.e. MPIRJK (Loan 2151-IND), JKUSDIP Project-1(Loan 2331-IND) and JKUSDIP Project-2 (Loan 2925-IND). The Statement of Expenditure contains the total disbursement of the project and includes cost of fixed assets and advances given to the consultants, contractors, Govt. agencies and others. Expenditure on the project as indicated in Schedule 'C' is exclusive of fixed assets and advances, which are shown separately under the Schedule 'B' and 'F' respectively.

5. Multi-sector Projects for Rehabilitation in Jammu & Kashmir [MPIRJK (Loan 2151-IND)]

5.1. A loan agreement between Govt. Of India and Asian Development Bank (ADB), and a Project agreement between ADB, Govt. of J&K and J&K ERA were signed on 17th March 2005 for implementation of MPIRJK. The effective date of the project and loan agreement is 13th May 2005 as notified by ADB/Govt. of India.

5.2. The project is being funded through ADB and counterpart funding of Govt. of India/Govt. of J&K. Funds received from ADB through Govt. of India/Govt. of J&K are deposited in a separate bank account for the project maintained at Srinagar/Jammu with Jammu & Kashmir Bank. No fixed deposit of the surplus funds has been made with any bank.

5.3. Payment of indirect taxes and duties and miscellaneous income from project are identified separately and deducted from project expenditure while making a claim to ADB for reimbursement.

6. **Urban Sector Development Investment Program, (JKUSDIP)ADB Loan-II**

J&K Urban Sector Development Investment Program (JKUSDIP) was approved by ADB on 31st May 2007. It is a Multi-Tranche Financing Facility (MFF) aimed at expansion of basic urban infrastructure in the capital cities of Jammu & Srinagar and other regional towns in the state.

The total size of JKUSDIP is Rs. 2425 Crore of which Rs. 1500 Crore is the ADB loan – Component and the balance Rs. 925 Crore counterpart fund from the state plan.

6.1 **Tranche-I(2331-IND)**

Tranche-I Under JKUSDIP was approved on 4th June 2007. A loan agreement between Govt. Of India and Asian Development Bank (ADB), and a Project agreement between ADB, Govt. of J&K and J&K ERA were signed on 28th December 2007 for implementation of JKUSDIP. The effective date of the project and loan agreement is 25th March 2008 as notified by ADB/Govt. of India.

The project is being funded through ADB and counterpart funding of Govt. of India/Govt. of J&K. Funds received from ADB through Govt. of India/Govt. of J&K are deposited in a separate bank account for the project maintained at Srinagar/Jammu with Jammu & Kashmir Bank. No fixed deposit of the surplus funds has been made with any bank.

Payment of indirect taxes and duties and miscellaneous income from project are identified separately and deducted from project expenditure while making a claim to ADB for reimbursement.

6.2 **Tranche-II(2925-IND)**

Tranche-II Under JKUSDIP was approved on 26th October 2012. A loan agreement between Govt. Of India and Asian Development Bank (ADB), and a Project agreement between ADB, Govt. of J&K and J&K ERA were signed on 16th May 2013 for implementation.

7. **PPTA for Phase-II**

J&K Era has been incurring expenditure for Project Preparatory Technical Assistance (PPTA) for the Phase-II sector loan from ADB. These are being carried forward separately under the head 'Project Expenditure'. ₹56,00,000/- have been received by J&K ERA from Govt. of J&K as counterpart fund for this vide sanction letter no. PD/EAP-101/2004-05/18(15) dated 10th February 2006.

8. **GID for Jammu and Srinagar Cities**

All expenditures incurred for Geological Information System (GIS) for the cities of Jammu and Srinagar are carried forward separately under the head 'Project Expenditure'. Govt. of J&K has made payment of ₹2.00 crore to J&K ERA in December 2010.

9. **Previous Year Figures**

Previous year figures have been re-classified/re-grouped wherever considered necessary.

10. **Related Parties' Transaction**

There was no related party transaction during the period.

11. **Payment to Statutory Auditors**

During the year ₹8,50,000/- has been paid to auditors towards consolidated audit fees for the financial year 2011-12. As on the date of the balance sheet, statutory audit fee is payable for the financial years 2012-13 and 2013-14 to the tune of ₹6,25,000/- for each financial year.

12. Contingent Liabilities

The detail of contingent liabilities existing as on 31st March 2014 is as under:

Sn.	Nature of Contingent Liability	Current Year ₹ Crores	Previous Year ₹ Crores
1.	Estimated amount of contracts remaining to be executed on capital account (Net of advances)	388.84	117.42
2.	Pension/Retirement Benefits	Nil	Nil
3.	Guarantees Issued and Outstanding	Nil	Nil
4.	Legal Claims	Nil	Nil



