

Audited Project Financial Statements

Project Number: 41116
Loan Numbers: 2925/3132
Period covered: 1 April 2014 to 31 March 2015

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: 18 January 2016

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy 2011 and as agreed between ADB and the Economic and Reconstruction Agency.



Government of Jammu & Kashmir
J&K Economic Reconstruction Agency
2nd Floor ERA Complex Rambagh, Srinagar
13 C/C Gandhi Nagar, Jammu



The Country Director,
Indian Resident Mission,
Asian Development Bank
4 San Martin Marg, Chanakyapuri,
New Delhi-110021

No. ERA/CEO/101/Adm/104-106

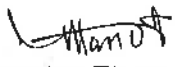
Dated :- 15.01.2016

Subject :- Loan No. 2151-IND: Multi – sector Project for Infrastructure Rehabilitation in Jammu & Kashmir (MPIRJK) and Loan No. 2331-IND, Loan-2925-IND & Loan-3132-IND : Jammu and Kashmir Urban Sector Development Investment Program (JKUSDIP) Project-I, II & III- Audited Project Accounts for 2014-15.

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, Loan- 2331-IND, Loan-2925-IND and Loan-3132-IND, Jammu and Kashmir Urban Sector Development Investment Program (JKUSDIP) Project-I , II & III for the financial year 2014-15.

Yours faithfully,


Director Finance
J&K ERA

Copy along-with 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.



Jammu & Kashmir Govt.
Economic Reconstruction Agency
2ND Floor, Commercial Complex, Srinagar
13 C/C Gandhi Nagar, Jammu



M/s. Raj Har Gopal & Co.,
Chartered Accountants,
412, Ansal Bhawan, 16 K.G. Marg,
New Delhi- 110001.

June 29, 2015

Subject: Management Representation Letter regarding Statutory Audit for FY 2014-15.

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, 2015** 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, 2015 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 society 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, 2015 is Rs.52,631/- (Rupees Fifty Two Thousand Six Hundred Thirty One Only) and has been verified by us.
- 5.2 Balances with Banks as at 31st March 2015 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 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:
-

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 relating to Tax Deduction at Source of Income Tax Act 1961.

20. Internal Control/Internal Audit

M/s K.G. Somani and co. (Chartered Accountants) has been appointed as Internal Auditor for the financial years 2015-16 and 2016-17. The Principal A.G. Office has conducted audit on the account's of J&K ERA for the period 2013-14. The Society has its own internal control/ Internal Audit System.


(Director Finance)
J&K ERA

**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 four projects as at **31st March, 2015** and summary of significant accounting policies and other explanatory information. The four 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);
4. Jammu & Kashmir Urban Sector Development Investment Programme- Project-III (JKUSDIP);
5. 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

It is the policy of the Society to prepare its Financial Statements on the cash receipts and disbursements basis. On this basis, revenue and related assets are recognised when received rather than when earned & expenses are recognised when paid rather than when the obligation is incurred.

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 accounting 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 2015** 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 2015**;
- (ii) the Statements of Expenditure for the projects MPIRJK (Loan 2151-IND), JKUSDIP (Loan 2331-IND), JKUSDIP (Loan 2925-IND) and JKUSDIP (Loan 3132-IND) as at **31st March 2015**; and
- (iii) the Receipts and Payments Statement for the year ended on **31st March 2015**.

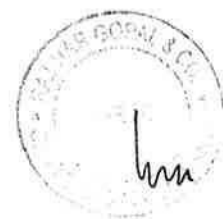
Emphasis of Matter

We draw attention to the following items disclosed in the Financial Statements without qualifying our Audit Report:

- a. 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.16,53,87,212.00, therefore we are unable to verify the actual recoverability of these advances in cash/kind. Such advance of Rs. 16,53,87,212.00 has been reported under Schedule F : Current Assets, Loans and Advances as line item – "Advances to Govt. Agencies for Shifting Utilities" under the head Loans and Advances – MPIRJK.
- b. There is a suspense amount of Rs.5,000.00 outstanding for reconciliation from previous accounting periods and has been separately reflected in the financial statements on the face of Balance Sheet of J&K ERA under Application of Funds.

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. Internal Audit has not been conducted by any external agency for the Financial Year 2014-15 and considering the size of the organisation and quantum of transactions, it is imperative that an Internal Auditor should be appointed.



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.
- c. Proceeds of the Loan from ADB have been utilised for the purpose as per the ADB Loan/ Project Agreement.
- d. Financial Covenants in the Loan Agreement MPIRJK (Loan -2151 IND), JKUSDIP (Loan 2331-IND), JKUSDIP (Loan 2925-IND) and JKUSDIP (Loan - 3132 IND) dated 17.03.2005, 28.12.2007, 16.05.2013 and 30.12.2014 respectively have been complied with.
- e. (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. (c) further, such expenditures withdrawn under SOE procedures are accurate and conform to the propriety principles to the extent as presented to us during the course of our Audit and ADB can rely on such SOE's as a basis for credit disbursement.

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: Srinagar
Dated: 30.06.2015



For Raj Har Gopal & Co.
Chartered Accountants
FRN: 002074N

(Signature)
(Gopal Krishan Gupta)

Partner

M.No: 081085

Audit Observations for the Financial Year ended 31st March 2014 and Compliance thereof:

During the Audit Process for the Financial Year ended 31st March 2015, we have noted the compliance or otherwise by the Auditee, J&K ERA, of the following observations of the Previous Auditor, M/s P C Bindal & Co. for the Financial Year ended on 31st March 2014 :

- a) Audit Observation at 'Other Matters Para (b): *"The advances to the tune of Rs. 64,39,68,400/- are outstanding for 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. 14,81,38,069/-, therefore we are unable to verify the actual recoverability of these advances in cash/ kind. "*

Compliance by Auditee:

As at 31st March 2015, advances to the tune of Rs. Rs. 16,53,87,212.00 are outstanding for a longer period for which there has been no 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:

As at 31st March 2015, the suspense amount of Rs. 5,000/- is still outstanding.

- c) Audit Observation at 'Other Matters Para (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. "*

Compliance by Auditee:

Although no internal audit has been conducted by any external agency for the Financial Year 2014-15, the Society has appointed M/s K G Somani & Co., Chartered Accountants for conducting the Internal Audit of the society for the Financial Year(s) 2015-16 and 2016-17.



J & K Economic Reconstruction Agency

Balance Sheet as at 31st March 2015

Particulars	Schedule No	As at 31.03.2015		Amount in ₹ As at 31.03.2014	
Sources of Funds					
Grants from Govt. of J&K			1,28,98,170.00		1,28,98,170.00
Funds for MPIRJK- Loan 2151-IND					
ADB Funds		1210,92,27,000.00		1173,58,91,000.00	
Counterpart Funds		504,10,53,000.00		504,10,53,000.00	
State Funds for Shifting of Utilities		1,00,00,000.00		1,00,00,000.00	
State Funds for Land acquisition		12,00,60,000.00	1728,03,40,000.00	11,00,60,000.00	1689,70,04,000.00
Funds for JKUSDIP- Loan 2331-IND					
ADB Funds		146,34,33,000.00		132,95,29,000.00	
Counterpart Funds		208,00,00,000.00	354,34,33,000.00	208,00,00,000.00	340,95,29,000.00
Funds for JKUSDIP- Loan 2925-IND					
ADB Funds		94,15,56,000.00		29,18,79,000.00	
Counterpart Funds		27,00,00,000.00			
State Funds for Land acquisition		20,00,00,000.00	141,15,56,000.00		29,18,79,000.00
Counterpart Funds for PPTA Phase II			56,00,000.00		56,00,000.00
Funds from NHAI for Kalibari-Kathua Road			1,00,00,000.00		0
Funds for GIS Study			3,00,00,000.00		3,00,00,000.00
Current Liabilities & Payables	A		24,98,19,005.00		11,16,81,003.00
Total			2254,36,46,175.00		2075,85,91,173.00
Application of funds					
Fixed Assets	B		7,06,29,807.00		6,93,58,702.00
Project Expenditure :					
Prior to MPIRJK & Out of J&K Grants	C	74,96,021.00		74,96,021.00	
MPIRJK- Loan 2151-IND	D	1683,76,37,182.33		1631,57,05,861.33	
JKUDSIP	E				
(a) Loan 2331-IND		217,63,98,279.21		173,19,57,710.21	
(t) Loan 2925-IND		103,98,36,272.00		20,56,18,922.00	
(c) Loan 3132-IND		15,29,04,412.00		0.00	
PPTA Phase II		12,54,135.00		12,54,135.00	
GIS Study for Jammu and Srinagar cities		2,63,30,164.00	2024,18,56,465.54	2,44,24,164.00	1828,64,56,813.54
Current Assets, Loans and Advances	F		223,11,54,902.46		240,27,70,657.46
Suspense Account			5,000.00		5,000.00
Total			2254,36,46,175.00		2075,85,91,173.00

Significant Accounting Policies
Notes to accounts

G
H

In term of our report of even date

For Raj Har Gopal & Co.
Chartered Accountants

CA G K Gupta
Partner
FRN No: 002074N
M. No.: 081085
Place : Srinagar
Date: 30.06.2013



Sh. Mohammad Yousuf Pandith
Director Finance
J & K ERA

B R Sharma
CEO
J & K ERA

J & K Economic Reconstruction Agency

**Statement of Expenditure on Multi Sector Project for Infrastructure Rehabilitation in J&K-
(MPIRJK) Loan 2151-IND
From Inception To 31st March 2015**


Component	As on 31.03.2015		Amount in ₹ As on 31.03.2014	
A : Expenditure				
Rehabilitation of Urban Infrastructure	625,40,45,644.00	1688,93,86,475.33	605,06,96,800.00	1636,74,45,491.33
Rehabilitation of Roads and Bridges	900,12,57,235.50		872,99,56,834.50	
Capacity Building & Implementation Costs	154,68,73,269.83		150,57,19,634.83	
Land Acquisition	8,72,10,326.00		8,10,72,222.00	
B : Advances				
Rehabilitation of Urban Infrastructure	6,15,54,215.00	24,25,43,219.00	35,91,394.00	8,69,51,436.00
Rehabilitation of Roads and Bridges	14,11,04,046.00		4,74,74,755.00	
Capacity Building & Implementation Costs	16,45,445.00		15,09,670.00	
Land Acquisition	3,02,82,413.00		2,64,18,517.00	
Shifting Utilities Unallocated	79,57,100.00		79,57,100.00	
Less:				
C: Retention Money/Security Deposit				
Rehabilitation of Urban Infrastructure	1,83,66,624.00	4,41,50,876.00	1,39,39,675.00	4,11,77,779.00
Rehabilitation of Roads and Bridges	2,06,39,470.00		2,36,12,321.00	
Capacity Building & Implementation Costs	51,44,782.00		36,25,783.00	
Total (A+B-C)		1708,77,78,118.33		1641,32,19,148.33

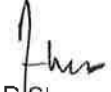
In term of our report of even date

For Raj Har Gopal & Co.
Chartered Accountants


CA G K Gupta
Partner
FRN No: 002074N
M. No.: 081085
Place : Srinagar
Date: 30.06.2015




Sh. Mohammad Yousuf Pandith
Director Finance
J & K ERA


B R Sharma
CEO
J & K ERA

J & K Economic Reconstruction Agency

**Statement of Expenditure on J&K Urban Sector Development Investment Programme-
Project 1 (JKUSDIP) Loan 2331- IND
From Inception To 31st March 2015**

Component	Amount in ₹	
	As on 31.03.2015	As on 31.03.2014
A : Expenditure		
Works	141,54,78,492.00	120,38,75,584.00
Consultancy Services	41,40,51,776.00	31,90,61,208.00
Incremental Administration Costs	35,86,81,741.21	21,95,73,206.21
B : Advances		
Works	19,42,52,210.00	35,17,34,900.00
Consultancy Services	(2,02,479.00)	(2,02,479.00)
Incremental Administration Costs	11,184.00	34,480.00
Land Acquisition	2,24,85,555.00	2,24,85,555.00
Less:		
C: Retention Money/Security Deposit		
Works	3,94,19,000.00	3,32,38,000.00
Incremental Administration Costs	40,000.00	40,000.00
Total (A+B-C)	236,52,99,479.21	208,32,84,454.21

In term of our report of even date

For Raj Har Gopal & Co.
Chartered Accountants

CA G K Gupta
Partner
FRN No: 002074N
M. No.: 081085
Place : Srinagar
Date: 30.06.2015



Sh. Mohammad Yousuf Pandith
Director Finance
J & K ERA

B R Sharma
CEO
J & K ERA

J & K Economic Reconstruction Agency

**Statement of Expenditure on J&K Urban Sector Development Investment Programme-
Project 2 (JKUSDIP) Loan 2925 - IND
From Inception To 31st March 2015**

Component	Amount in ₹	
	As on 31.03.2015	As on 31.03.2014
A : Expenditure		
Works	80,43,73,658.00	14,64,79,381.00
Equipment	6,26,67,932.00	0.00
Consultancy Services	11,73,71,692.00	1,05,74,631.00
Incremental Administration Costs	-	-
Resettlement Plan	1,06,19,490.00	76,19,490.00
Land Acquisition	4,48,03,500.00	4,09,45,420.00
	103,98,36,272.00	20,56,18,922.00
B : Advances		
Works	42,37,36,902.00	38,70,81,743.00
Equipment	44,59,581.00	28,17,000.00
Consultancy Services	2,21,11,856.00	-
Incremental Administration Costs	-	-
Resettlement Plan	65,71,07,000.00	56,01,07,000.00
Shifting Utilities	19,02,28,557.00	17,43,22,050.00
Land Acquisition	13,91,68,071.00	14,30,26,151.00
	143,68,11,967.00	126,73,53,944.00
Less:		
C: Retention Money/Security Deposit		
Works	3,87,67,950.00	64,23,200.00
Equipment	3,23,000.00	0.00
Incremental Administration Costs	-	-
	3,90,90,950.00	64,23,200.00
Total (A+B-C)	243,75,57,289.00	146,65,49,666.00

In term of our report of even date

For Raj Har Gopal & Co.
Chartered Accountants

CA G K Gupta
Partner
FRN No: 002074N
M. No.: 081085
Place: Srinagar
Date: 30.06.2015



Sh. Mohammad Yousuf Pandith
Director Finance
J & K ERA

B R Sharma
CEO
J & K ERA

J & K Economic Reconstruction Agency

**Statement of Expenditure on J&K Urban Sector Development Investment Programme-
Project 3 (JKUSDIP) Loan 3132 - IND
From Inception To 31st March 2015**

Component	As on 31.03.2015		Amount in ₹ As on 31.03.2014	
A : Expenditure				
Works	14,26,74,412.00	15,29,04,412.00	-	-
Land Acquisition	1,02,30,000.00		-	
B : Advances				
Works	16,21,18,118.00	17,37,18,118.00	-	-
Shifting Utilities	1,16,00,000.00		-	
Less:				
C: Retention Money/Security Deposit				
Works	69,73,000.00	69,73,000.00	-	-
Total (A+B-C)		31,96,49,530.00		0.00

In term of our report of even date

For Raj Har Gopal & Co.
Chartered Accountants

CA G K Gupta
Partner
FRN No: 002074N
M. No.: 081085
Place : Srinagar
Date: 30.06.2015



Sh. Mohammad Yousuf Pandith
Director Finance
J & K ERA

B R Sharma
CEO
J & K ERA

J & K Economic Reconstruction Agency

Schedules annexed to and forming part of Balance Sheet as at 31st March 2015

Schedule 'A' - Current Liabilities & Payables

Particulars	Amount in ₹	
	As on 31.03.2015	As on 31.03.2014
A : For MPIRJK- Loan 2151		
Sundry Creditors		
Consultants	49,30,627.00	34,11,628.00
Contractors	3,90,06,094.00	3,75,51,996.00
Suppliers/Service Providers	2,14,155.00	2,14,155.00
Taxes, duties etc. deducted and payable		4,11,77,779.00
Other Liabilities	1,22,434.00	4,77,324.00
	4,41,15,258.00	2,86,69,996.00
	8,83,88,568.00	7,03,25,099.00
B : For JKUSDIP- Loan 2331		
Sundry Creditors		
Consultants	17,10,853.00	17,10,853.00
Contractors	3,94,19,000.00	3,32,38,000.00
Suppliers/Service Providers	40,000.00	40,000.00
Taxes, duties etc. deducted and payable		3,49,88,853.00
Other Liabilities	(65,336.00)	(56,149.00)
	6,98,29,164.00	
	11,09,33,681.00	3,49,32,704.00
C : For JKUSDIP- Loan 2925		
Sundry Creditors		
Consultants	36,29,561.00	0.00
Contractors	3,90,90,950.00	64,23,200.00
Suppliers/Service Providers	0.00	0.00
Taxes, duties etc. deducted and payable		64,23,200.00
	803,245.00	
	4,35,23,756.00	64,23,200.00
D : For JKUSDIP- Loan 3132		
Sundry Creditors		
Consultants	0.00	0.00
Contractors	69,73,000.00	0.00
Suppliers/Service Providers	0.00	0.00
Taxes, duties etc. deducted and payable		0.00
	69,73,000.00	
	69,73,000.00	0.00
Total (A+B+C+D)	24,98,19,005.00	11,16,81,003.00



J & K Economic Reconstruction Agency

Schedules annexed to and forming part of Balance Sheet as at 31st March 2015

Schedule 'B' - Fixed Assets

Particulars	Amount in ₹	
	As on 31.03.2015	As on 31.03.2014
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 and fixtures	11,00,000.00	11,00,000.00
Office equipments	1,81,466.00	1,81,466.00
	70,66,784.00	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 and fixtures	43,13,682.80	43,13,682.80
Office equipments	1,80,83,908.05	1,80,83,158.05
Taxes and duties on fixed assets	19,02,498.15	19,02,498.15
	3,77,23,625.00	3,77,22,875.00
Fixed assets out of JKUSDIP Funds		
Furniture and fixtures	7,59,449.00	6,73,649.00
Office equipments	36,48,146.48	24,72,504.48
Taxes and duties on fixed assets	81,354.52	81,354.52
	44,88,950.00	32,27,508.00
Fixed Assets with Consultants :		
MPIRJK		
Project Management Consultant	63,99,701.00	63,90,788.00
Design & Supervision Consultant		
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	21,56,685.00
	1,40,25,668.00	1,40,16,755.00
JKUSDIP		
Project Support Consultant	39,90,073.00	39,90,073.00
Design & Supervision Consultant- Jmu	33,34,707.00	33,34,707.00
	73,24,780.00	73,24,780.00
Total	7,06,29,807.00	6,93,58,702.00

Schedule 'C' - Expenditure Prior to MPIRJK & Out of J&K Grants

Particulars	Amount in ₹	
	As on 31.03.2015	As on 31.03.2014
Expenditure Out of J&K Grants		
Income Tax Demand	51,00,834.00	51,00,834.00
Expenditure Prior to MPIRJK		
Salaries	15,08,041.00	15,08,041.00
Rent rates and 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 Advertisements	6,120.00	6,120.00
	23,95,187.00	23,95,187.00
Total	74,96,021.00	74,96,021.00



J & K Economic Reconstruction Agency

**Schedules annexed to and forming part of
Balance Sheet as at 31st March 2015**

Schedule 'D' - Expenditure on MPIRJK- Loan 2151- IND

Component	Amount in ₹	
	As on 31.03.2015	As on 31.03.2014
Rehabilitation of Urban Infrastructure		
Water Supply in Jammu	244,45,99,645.00	243,72,88,065.00
Drainage System in Jammu	104,66,09,107.00	104,66,09,107.00
Water Supply in Srinagar	103,58,09,476.00	103,10,04,189.00
Drainage System in Srinagar	172,70,27,416.00	153,57,95,439.00
	625,40,45,644.00	605,06,96,800.00
Rehabilitation of Roads and Bridges		
Roads in Jammu	228,32,27,913.00	213,86,61,405.00
Bridges in Jammu	8,98,27,587.00	8,98,27,587.00
Roads in Kashmir	598,65,22,276.00	587,42,87,335.00
Bridges in Kashmir	64,16,79,459.50	62,71,80,507.50
	900,12,57,235.50	872,99,56,834.50
Capacity Building & Implementation Costs		
Consultancy Services		
Project Management Consultant	24,63,83,515.00	24,15,03,237.00
Design & Supervision Consultant- Urban Jmu	11,71,04,641.00	11,71,04,641.00
Design & Supervision Consultant- Urban Kmr	12,74,97,750.00	12,57,50,492.00
Design & Supervision Consultant- Transport Jmu	15,77,95,174.00	15,52,38,992.00
Design & Supervision Consultant- Transport Kmr	23,08,67,817.00	22,33,29,654.00
	87,96,48,897.00	86,29,27,016.00
Incremental Administration Costs		
Project Management Unit	11,37,78,112.64	11,13,90,679.64
Project Implementation Unit - Jammu	27,52,70,601.22	26,30,60,609.22
Project Implementation Unit - Kashmir	25,51,96,419.47	24,09,82,658.47
Less: Recoveries & receipts	(2,98,25,781.50)	(2,54,31,586.50)
	61,44,19,351.83	59,00,02,360.83
Expenses Out of Counterpart Funds		
Land Acquisition		
	8,72,10,326.00	8,10,72,222.00
Training on Project Management and O&M	10,55,728.00	10,50,628.00
Total	1683,76,37,182.33	1631,57,05,861.33

Note: Cost of Fixed Assets acquired out of the Project funds is shown in Schedule 'B' Fixed Assets



J & K Economic Reconstruction Agency

**Schedules annexed to and forming part of
Balance Sheet as at 31st March 2015**

**Schedule 'E' - Expenditure on JKUSDIP- Project 1- Loan 2331 - IND, Project 2- Loan 2925 - IND
& Project 3- Loan 3132 - IND**

Amount in ₹

Particulars	As on 31.03.2015		As on 31.03.2014	
A: JKUSDIP Loan -2331				
Works				
Water Supply	13,98,56,614.00	141,54,78,492.00	13,98,56,614.00	120,38,75,584.00
Sewerage	80,85,10,189.00		71,97,07,255.00	
Solid Waste Management	46,71,11,689.00		34,43,11,715.00	
Consultancy Services				
Project Support Consultant	8,97,73,944.00	40,67,26,996.00	8,97,73,944.00	31,17,36,428.00
Design & Supervision Consultants Jmu	16,76,20,182.00		14,66,37,512.00	
Design & Supervision Consultants Kmr	14,93,32,870.00		7,53,24,972.00	
Incremental Admin Support				
Project Management Unit	13,29,14,630.21	35,41,92,791.21	8,80,58,677.21	21,63,45,698.21
Project Implementation Unit - Jammu	14,41,82,992.00		8,90,59,933.00	
Project Implementation Unit - Kashmir	8,46,68,725.00		4,27,70,153.00	
Less: Recoveries and receipts	(75,73,556.00)		(35,43,065.00)	
TOTAL		217,63,98,279.21		173,19,57,710.21

B: JKUSDIP Loan- 2925				
Works				
Water Supply	4,36,33,076.00	86,70,41,590.00	87,17,500.00	14,64,79,381.00
Drainage System	31,49,55,006.00		3,11,11,509.00	
Urban Transport	44,57,85,576.00		10,66,50,372.00	
Equipment	6,26,67,932.00		0.00	
Consultancy Services				
Project Support Consultant	5,54,69,890.00	11,73,71,692.00	1,05,74,631.00	1,05,74,631.00
Design & Supervision Consultants Jmu	2,04,18,973.00		-	
Consultancy Services for CBISC	1,79,27,301.00		-	
Consultancy Services for NRW	2,35,55,528.00		-	
Incremental Admin Support				
Project Management Unit	-		-	
Project Implementation Unit - Jammu	-		-	
Project Implementation Unit - Kashmir	-		-	
Expenses Out of Counterpart Funds				
Land Acquisition	4,48,03,500.00	5,54,22,990.00	4,09,45,420.00	4,85,64,910.00
Resettlement Plan	1,06,19,490.00		76,19,490.00	
TOTAL		103,98,36,272.00		20,56,18,922.00

C: JKUSDIP Loan- 3132				
Works				
Water Supply	-	14,26,74,412.00	-	-
Drainage System	14,26,74,412.00		-	
Expenses Out of Counterpart Funds				
Land Acquisition	-	1,02,30,000.00	-	-
TOTAL		15,29,04,412.00		0.00

Note: Cost of Fixed Assets acquired out of the Project funds is shown in Schedule 'B' Fixed Assets



J & K Economic Reconstruction Agency

**Schedules annexed to and forming part of
Balance Sheet as at 31st March 2015**

Schedule 'F' - Current Assets, Loans and advances

Particulars	Amount in ₹	
	As on 31.03.2015	As on 31.03.2014
Loans and Advances -MPIRJK		
Advances to Employees for official purposes	(12,058.00)	37,711.00
Advances to Govt. Agencies for Shifting Utilities	16,53,87,212.00	14,81,38,069.00
Advances to Govt. Agencies for Land	3,02,82,413.00	2,64,18,517.00
Advances to Contractors	4,52,28,149.00	5,10,66,149.00
Advances to Consultants	(65,900.00)	(65,900.00)
Advances to Others	16,90,179.00	15,04,635.00
	24,25,09,995.00	22,70,99,181.00
Loans and Advances -JKUSDIP-Tranche-I		
Advances to Employees for official purposes	11,184.00	34,480.00
Advances to Govt. Agencies for Land	2,24,85,555.00	2,24,85,555.00
Advances to Contractors	19,42,52,210.00	35,17,34,900.00
Advances to Consultants	(2,02,479.00)	(2,02,479.00)
	21,65,46,470.00	37,40,52,456.00
Loans and Advances -JKUSDIP-Tranche-II		
Advances to Govt. Agencies for Land	13,91,68,071.00	14,30,26,151.00
Advances to Govt. Agencies for Resettlement	65,71,07,000.00	56,01,07,000.00
Advances to Contractors	42,81,96,483.00	38,98,98,743.00
Advances to Consultants	2,21,11,856.00	0.00
Advances to Govt. Agencies for Shifting Utilities	190,228,557.00	174,322,050.00
	143,68,11,967.00	126,73,53,944.00
Loans and Advances -JKUSDIP-Tranche-III		
Advances to Contractors	16,21,18,118.00	-
Advances to Govt. Agencies for Shifting Utilities	1,16,00,000.00	-
	17,37,18,118.00	
Loans and Advances-Others		
Advances for GIS		
	22,96,487.00	22,96,487.00
Cash at Bank in Current Account with		
J&K Bank - SGIA-MPIRJK	34,802.00	34,802.00
J&K Bank - PMU-MPIRJK	0.72	0.72
J&K Bank - PMU - JKUSDIP	(9.21)	(9.21)
J&K Bank - PMU - SBG - 042 MPIRJK	5,99,28,501.64	33,79,01,092.64
J&K Bank - PMU - SBG - 041 JKUSDIP L-I	(35,96,938.00)	13,64,53,582.00
J&K Bank - PMU - SBG - 043 JKUSDIP L-II & L-III	9,91,63,527.00	5,75,21,000.00
J&K Bank - PIU Jammu	28,42,832.78	16,773.78
J&K Bank - PIU Kashmir	8,45,856.53	290.53
	15,92,18,573.46	53,19,27,532.46
Cash in Hand		
Cash in Hand - PMU MPIRJK	0.00	0.00
Cash in Hand - PMU JKUSDIP	52,631.00	40,806.00
Cash in Hand - PIU Jammu	661.00	251.00
	53,292.00	41,057.00
Total	223,11,54,902.46	240,27,70,657.46



Jammu & Kashmir Economic Reconstruction Agency

Schedule "G"- Significant Accounting Policies

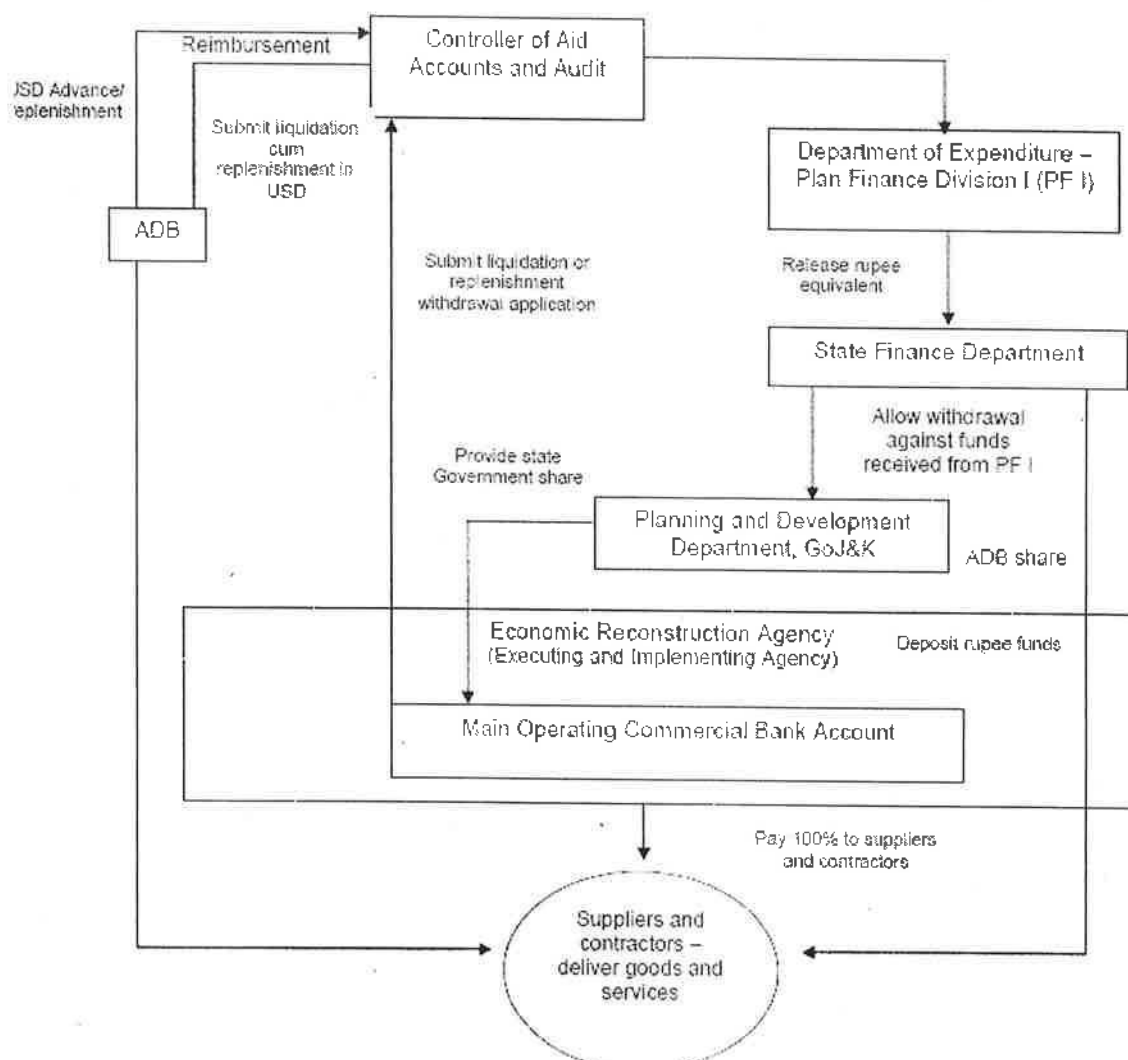
1. System of Accounting

- 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 (SOEs) for MPIRIK (Loan 2151-IND), JKUSDIP (Loan 2331IND, Tranche-I), JKUSDIP (Loan 2925-IND, Tranche-II) and JKUSDIP (Loan 3132-IND, Tranche-III)
- 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) & Program-Project-3 (JKUSDIP Loan 3132-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 PMU and will be allocated to individual sub-projects after completion of the project.



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&K 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 2015**. Previous year's figures are for the financial year ended **March 31st 2014**.

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), JKUSDIP Project-2 (Loan 2925-IND) and JKUSDIP Project-3 (Loan 3132-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 2015** representing its financial position as on that date. Receipts & Payment Account is a summary of all receipts and payments during the financial year 2014-15 and cash & bank balances as at 31st March 2015. 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 2015 under MPIRJK and JKUSDIP Project-1, Project-2 & Project-3.

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 executed 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), JKUSDIP Project-2 (Loan 2925-IND) & JKUSDIP Project-3 (Loan 3132-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 was 13th May 2005 as notified by ADB/Govt. of India and closing date was March 2014.
- 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

JK 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 was 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. The total size of JKUSDIP has been reduced to Rs. 1769 Crore.

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. The effective date of the project and loan agreement is 19th August 2013 as notified by ADB/Govt. of India.

6.2 Tranche-III(3132-IND)

Tranche-III Under JKUSDIP was approved on 18th June 2014. 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 30th Dec 2014 for implementation. The effective date of the project and loan agreement is 29th Jan., 2015 as notified by ADB/Govt. of India.



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. GIS 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 and 1.00 crore to J&K ERA in March 2012.

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 `16,50,000/- has been paid to auditors towards consolidated audit fees for the financial year 2012-13 and 2013-14.

12. Contingent Liabilities

The detail of contingent liabilities existing as on 31st March 2015 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)	1011.34	388.84
P	Pension/Retirement Benefits	Nil	Nil
3.	Guarantees Issued and Outstanding	Nil	Nil
4.	Legal Claims	Nil	Nil



J & K Economic Reconstruction Agency

Receipt & Payment Account for MPIRJK Loan-2151 for the year ended 31st March, 2015

Particulars	2014-15		2013-14	
Opening Balance:				
Cash	251.00		55,073.00	
Bank	33,79,52,959.67	33,79,53,210.67	22,48,19,961.81	22,48,75,034.81
RECEIPTS				
Project Funds				
ADB Funds	37,33,36,000.00		169,62,51,000.00	
Counterpart Funds	0.00		5,00,000.00	
Land Acquisition	1,00,00,000.00		0.00	
Funds from NHAI for Kalibari-Kathua Road	1,00,00,000.00	39,33,36,000.00	0.00	169,67,51,000.00
Others Receipts				
Recovery of Advances	59,59,356.00		8,39,96,797.00	
Retention Money	52,49,55,206.00		129,22,56,866.00	
Taxes & Duties deducted (net)	5,00,02,938.00		20,57,19,760.00	
Deduction from Salaries	0.00		4,04,596.00	
Advance from Loan-2925	24,25,30,720.00		0.00	
Urban Infrastructure	16,19,408.00		0.00	
Transport Infrastructure	36,67,331.00		7,42,751.00	
Consultancy Services	18,437.00		1,42,728.00	
Incremental Administration Costs	43,94,195.00		66,27,241.00	
Other receipts	1,54,45,262.00	84,85,92,853.00	6,48,000.00	159,05,38,739.00
Total Receipts		124,19,28,853.00		328,72,89,739.00
PAYMENTS				
Expenditure				
Urban Infrastructure	20,49,68,252.00		36,36,43,287.00	
Transport Infrastructure	27,49,49,358.00		83,06,64,518.00	
Consultancy Services	1,67,49,231.00		8,09,71,830.00	
Incremental Administration Costs	2,90,02,433.00		5,68,98,715.89	
Land Acquisition	0.00	52,56,69,274.00	2,00,000.00	133,23,78,350.89
Advances				
Advances to Govt. Agencies	2,72,51,143.00		2,47,78,548.00	
Advances to Contractors	0.00		3,47,64,000.00	
Advances to Consultants	0.00		0.00	
Advance to Loan-2331	11,10,00,000.00		4,99,81,600.00	
Advance to Loan-2925	28,13,97,076.00		0.00	
Advances to Staff	0.00		16,500.00	
Advance to Others	3,12,000.00		15,44,500.00	
Advance to/by PIU	(36,72,035.00)	41,62,88,134.00	12,03,603.25	11,22,88,751.25
Other Payments				
Retention Money	52,19,60,128.00		150,94,35,789.00	
Taxes & Duties deducted	5,04,05,823.00		21,72,92,961.00	
Deduction from Salaries	0.00	57,23,65,951.00	511,711.00	172,72,40,461.00
Expenditure for GIS Study		19,06,000.00		23,04,000.00
Total Payments		151,62,29,469.00		317,42,11,563.14
Closing Balance		6,36,52,654.67		33,79,53,210.67
Cash at Bank in				
J&K Bank - PMU - SGIA - MPIRJK	34,802.00		34,802.00	
J&K Bank - PMU - MPIRJK	0.72		0.72	
J&K Bank - PMU - SBG - 042 MPIRJK	5,99,28,501.64		33,79,01,092.64	
J&K Bank - PIU Jammu	28,42,832.78		16,773.78	
J&K Bank - PIU Kashmir	8,45,856.53	6,36,51,993.67	290.53	33,79,52,959.67
Cash in Hand				
Cash in Hand - PMU	0.00		0.00	
Cash in Hand - PIU Jammu	661.00	661.00	251.00	251.00
Total		6,36,52,654.67		33,79,53,210.67

In term of our report of even date

For Raj Har Gopal & Co.
Chartered Accountants

CA G K Gupta
Partner
FRN No: 002074N
M. No.: 081085
Place: Srinagar
Date: 30.06.2015



Sh. Mohammad Yousuf Pandith
Director Finance
J & K ERA

B R Sharma
CEO
J & K ERA

J & K Economic Reconstruction Agency

Receipt & Payment Account for JKUSDIP Loan-2331, 2925 & 3132 for the year ended 31st March, 2015

Amount in ₹

Particulars	2014-15		2013-14	
Opening Balance:				
Cash	40,806.00		3,985.00	
Bank	19,39,74,572.79	19,40,15,378.79	59,83,13,910.79	59,83,17,895.79
RECEIPTS				
Loan-2331 Tranche-I				
Project Funds				
ADB Funds	13,39,04,000.00		60,93,01,000.00	
Counterpart Funds	0.00	13,39,04,000.00	0.00	60,93,01,000.00
Other Receipts				
Recovery of Advances	13,40,79,300.00		2,36,57,541.00	
Retention Money (net)	27,25,39,303.00		47,28,47,793.00	
Taxes & duties deducted (net)	4,19,99,887.00		6,52,21,202.00	
Deduction from Salaries	32,27,342.00		20,75,536.00	
Advance from Loan-2151	39,23,97,076.00		4,99,81,600.00	
Other Receipts	7,39,47,961.00	91,81,90,669.00	19,75,892.00	61,57,59,564.00
Loan-2925 Tranche-II				
Project Funds				
ADB Funds	64,96,77,000.00		29,18,79,000.00	
Counterpart Funds	27,00,00,000.00		0.00	
Land Acquisition	20,00,00,000.00	111,96,77,000.00	0.00	29,18,79,000.00
Other Receipts				
Recovery of Advances	7,03,31,668.00		1,05,54,400.00	
Retention Money (net)	87,06,83,864.00		19,92,35,317.00	
Taxes & duties deducted (net)	11,08,76,062.00	105,18,91,594.00	2,69,84,328.00	23,67,74,045.00
Loan-3132 Tranche-III				
Recovery of Advances	2,50,30,000.00		0.00	
Retention Money (net)	16,12,47,412.00		0.00	
Taxes & duties deducted (net)	2,25,03,407.00	20,87,80,819.00	0.00	0.00
Total Receipts		343,24,44,282.00		175,37,13,609.00
PAYMENTS				
Expenditure Loan-2331 Tranche-I				
Works	16,92,97,908.00		31,21,26,272.00	
Consultancy Support	9,49,90,568.00		9,43,22,642.00	
Incremental administration costs	14,56,20,005.00	40,99,08,481.00	9,78,58,387.00	50,43,07,301.00
Advances				
Advances to Govt. Agencies	0.00		2,10,85,555.00	
Advances to Contractors	1,89,01,610.00		5,70,26,000.00	
Advance to Loan-2151	24,25,30,720.00			
Advances to Staff	7,55,000.00	26,21,87,330.00	7,10,000.00	7,88,21,555.00
Expenditure Loan-2925 Tranche-II				
Works	72,05,62,209.00		12,84,62,381.00	
Consultancy Support	10,18,75,908.00	82,24,38,117.00	1,05,74,631.00	13,90,37,012.00



J & K Economic Reconstruction Agency

Receipt & Payment Account for JKUSDIP Loan-2331, 2925 & 3132 for the year ended 31st March, 2015

Particulars	2014-15		2013-14	
Advances				
Advances to Govt. Agencies	10,00,00,000.00		21,88,99,571.00	
Advances to Contractors	11,38,95,747.00		45,42,28,248.00	
Advances to Consultants	3,32,99,564.00	24,71,95,311.00	0.00	67,31,27,819.00
Expenditure Loan-3132 Tranche-III Works	14,26,74,412.00	14,26,74,412.00	0.00	0.00
Advances				
Advances to Govt. Agencies	1,02,30,000.00		0.00	
Advances to Contractors	19,87,48,118.00	20,89,78,118.00	0.00	0.00
Other Payments				
JKUSDIP Loan-2331				
Retention Money	26,63,58,303.00		47,55,74,793.00	
Taxes & Duties deducted	4,19,99,887.00		6,52,80,336.00	
Deduction from Salaries	34,89,689.00	31,18,47,879.00	20,70,865.00	54,29,25,994.00
JKUSDIP Loan-2925				
Retention Money	83,80,16,114.00		19,28,12,117.00	
Taxes & Duties deducted	11,08,16,869.00	94,88,32,983.00	2,69,84,328.00	21,97,96,445.00
JKUSDIP Loan-3132				
Retention Money	15,42,74,412.00		0.00	
Taxes & Duties deducted	2,25,03,407.00	17,67,77,819.00	0.00	0.00
Total Payments		353,08,40,450.00		215,80,16,126.00
Closing Balance		9,56,19,210.79		19,40,15,378.79
Cash at Bank in				
J&K Bank - PMU - JKUSDIP	(9.21)		(9.21)	
J&K Bank - PMU - SBG - 041 JKUSDIP	(3,596,938.00)		13,64,53,582.00	
J&K Bank - PMU - SBG - 043 JKUSDIP	9,91,63,527.00	9,55,66,579.79	5,75,21,000.00	19,39,74,572.79
Cash in Hand				
Cash in Hand - PMU JKUSDIP	52,631.00	52,631.00	40,806.00	40,806.00
Total		9,56,19,210.79		19,40,15,378.79

In term of our report of even date

For Raj Har Gopal & Co.
Chartered Accountants

CA G K Gupta
Partner
FRN No: 002074N
M. No.: 081085
Place : Srinagar
Date: 30.06.2015



Sh. Mohammad Yousuf Pandith
Director Finance
J & K ERA

B R Sharma
CEO
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-I (JKUSDIP)
Loan/Grant No. 2331-IND

STATEMENT OF RECEIPTS AND PAYMENTS
REPORT FOR THE YEAR/PERIOD ENDED 01-APR-2014 TO 31-MAR-2015

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)				
Receipts			280,02,28,000.00	280,02,28,000.00
Funds received from Government ²	4			
ADB Loan ³	5	13,39,04,000.00	60,93,01,000.00	74,32,05,000.00
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)		13,39,04,000.00	60,93,01,000.00	74,32,05,000.00
Total (C = A + B)		13,39,04,000.00	340,95,29,000.00	354,34,33,000.00
Opening Balance Payments (D)			152,47,61,432.21	152,47,61,432.21
Investment Costs ⁴	11			
Civil Works - Water Supply		0.00	1,54,14,051.00	1,54,14,051.00
Civil Works - Sewerage		(7,01,02,756.00)	18,43,35,055.00	11,42,32,299.00
Civil Works - Solid Waste		11,80,41,974.00	14,84,87,625.00	26,65,29,599.00
Consultancy Services		9,49,90,568.00	9,43,22,642.00	18,93,13,210.00
Land Acquisition		0.00	7,10,85,555.00	2,10,85,555.00
Sub Total (E)		14,29,29,786.00	46,36,44,928.00	60,65,74,714.00
Recurrent Cost	12			
Incremental Admin Costs		13,90,85,239.00	9,48,78,094.00	23,39,63,333.00
Total (F)		13,90,85,239.00	9,48,78,094.00	23,39,63,333.00
Total Payments		28,20,15,025.00	55,85,23,022.00	84,05,38,047.00
Financing Charges During Implementation (G)	13			
Total Project Cost (H = D + E + F+G)		78,20,15,025.00	208,32,84,454.21	236,52,99,479.21
Closing Balance (C-H)		(14,81,11,025.00)	132,62,44,545.79	117,81,33,520.79

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

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

³This 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

⁴Expenditure 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



Director Finance
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-I (JKUSDIP)
 Loan/Grant No. 2331-IND

**STATEMENT OF EXPENDITURE BY CATEGORY AND FINANCIER (SOE) PROCEDURE
 REPORT FOR THE YEAR/PERIOD ENDED 01-APR-2014 TO 31-MAR-2015**

Particulars	In (INR)						
	Percentage of financing ¹	ADB ¹		Co-Financier		Government	
		Actual Expenditure		Actual Expenditure		Actual Expenditure	
	1	Amount	%	Amount	%	Amount	%
		2	3	4	5	6	7
							8
Investment Costs ²							
Civil Works - Water Supply	82	0.00				0.00	0.00
Civil Works - Sewerage	82	2,59,34,751.00				-9,60,37,507.00	(7,01,02,756)
Civil Works - Solid Waste	82	4,44,88,654.00				1,35,53,320.00	11,80,41,974.00
Consultancy Services	95	7,77,86,362.00				1,72,04,706.00	9,49,90,568.00
Land Acquisition		0.00				0.00	0.00
Sub Total (A)		14,82,09,767.00				-52,78,981.00	14,29,29,786.00
Recurrent Cost							
Incremental Admin Costs	80	11,43,06,862.00				2,47,78,377.00	13,90,85,239.00
Sub Total (B)		11,43,06,862.00				2,47,78,377.00	13,90,85,239.00
Total Cost (C=A+B) ³		26,25,16,629.00				1,94,98,396.00	28,20,15,025.00
% Total Project Cost							
Total Project Cost for Financial Year 2013-2014		26,25,16,629.00				1,94,98,396.00	28,20,15,025.00

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 2, Statement of Disbursements 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



L. H. H. H.
 Director Finance
 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-I (JKUSDIP)

Loan/Grant No. 2331-IND

FOR THE YEAR/PERIOD ENDED 01-APR-2014 TO 31-MAR-2015Statement of Disbursement

Statement of Disbursement	Note	Current Year	Prior Year	Cumulative Project to Date
ADB Fund claimed during the year				
Reimbursement ³	6.1	26,25,16,629.00	40,47,83,906.00	170,52,67,328.00
Imprest Fund ³	6.2			
Direct Payment	6.3			2,06,79,000.00
Commitment Letter	6.4			
Subtotal	(A)	26,25,16,629.00	40,47,83,906.00	172,59,46,328.00
Total Expenditure made during the year¹	(B)	28,20,15,025.00	55,85,23,022.00	236,52,99,479.21
Less:				
Expenditure not yet claimed	(C)	0.00	6,41,16,999.00	32,97,66,302.21
Borrower's Share	(D)	1,94,98,396.00	8,96,22,117.00	30,95,86,849.00
Total Eligible Expenditure Claimed (B - C - D = E = A)		26,25,16,629.00	40,47,83,906.00	172,59,46,328.00

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

Director Finance
J&K EPA

Name of the Executing Agency: J&K ECONOMIC RECONSTRUCTION AGENCY
 Name of the Implementing Agency: J&K ECONOMIC RECONSTRUCT ON 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/PERIOD ENDED 01-APR-2014 TO 31-MAR-2015

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	26,25,16,629.00	10,47,83,906.00	170,52,67,328.00	
- By Imprest Account ¹	6.2				
- By Direct Payment	6.3			2,06,79,000.00	
- By Commitment Letter	6.4				
ADB Loan Total		26,25,16,629.00	10,47,83,906.00	172,59,46,328.00	
ADB Grant					
ADB Loan and Grand Total		26,25,16,629.00	10,47,83,906.00	172,59,46,328.00	

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

6.1 Funds Received from ADB through Reimbursement Method



Handwritten Signature
 Director
 J&K ER

Please refer to Schedule 'G' - Significant accounting policies
Schedule 'H' - Notes to accounts.

STATE OF THE COUNTRY/INSTITUTION AND EXECUTING AGENCY
NAME OF THE ENTITY/PROJECT
(ADB LOAN REFERENCE)
NOTED TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED [YEAR AND DATE]

1. Project Nature and Activities

Description of the Project, the nature of activities, month/year of completion, start, month/year, domicile, etc. (if any), and nature of the project output.

2. Give legislative framework

When applicable

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in India. This refers to the basic basis of accounting applied with due regard to the General Financial Rules, 1960, Treasury Codes, and similar financial rules and codes as are in effect and applicable in the operations of the Project.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Financial Statements

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

4.2 Basis of measurement

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

4.3 Changes in accounting policies

Describe changes in accounting policies, if any.

4.4 Fund Flow mechanism

Describe the fund flow mechanism, in particular whether the A/E (if any) is centralized.

4.5 Advances and other receivables

Describe treatment of advances against expenditure.



[Signature]
Director Finance
J&K ERA

2.1 Capitalization of Borrowings

Describe the policy for capitalizing borrowing costs. Specify the criteria for capitalizing borrowing costs, including the criteria for determining the eligible borrowing costs and the criteria for determining the eligible borrowing period.

2.2 Goodwill and Intangible Assets

Describe the policy for goodwill and intangible assets. Specify the criteria for recognizing goodwill and intangible assets, including the criteria for determining the eligible intangible assets and the criteria for determining the eligible goodwill.

2.3 Income

a) Describe the nature of different types of income and how they are recognized. For example, specify the criteria for recognizing income from operations, income from investments, income from other sources, etc.

b) (Including if applicable) Free of cost office travel facilities and certain other services provided by [insert name] are not treated as expenditure and accordingly are not recognized in these financial statements as income of the Project.

2.4 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the financial statements of the Project are measured in terms of the currency of the primary economic environment in which the entity operates (the functional currency), which is the Indian Rupee (₹).

(b) Transactions and balances

Transactions in foreign currency are converted at the exchange rate prevailing at the date of transaction. Foreign currency bank balances are re-valued at the year end rate, and the resulting gains/losses are recognized in the statement of receipts and payments account. Conversion Rate: 1 US\$ = 1 ₹ (as of 01/01/2023)

2.5 Allocation of Common Costs

Describe how common costs are allocated. Specify the criteria for determining the eligible common costs and the criteria for determining the eligible allocation method.

2.6 Provisions, reserves and Financial Charges

Describe how financial charges are treated and how they are allocated. Specify the criteria for determining the eligible financial charges and the criteria for determining the eligible allocation method.

goods received from the Government

in detail of the government's spending and financial operations

Current	Prior	Total
1990	1989	1989

Government Counterpart funding
Amount Reimbursable to Government

Total

5. DATE OF AUTHORIZATION

These financial statements have been prepared for the
_____ of _____ of _____

L. Han
Director Finance
J&K ERA

Not Applicable

Name of the Executing Agency
Name of the Implementing Agency

[NAME OF THE ENTITY/PROJECT]
Loan/Grant No.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED [YEAR END DATE]

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

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

		Prior Year	In (US) '000 Current Year
Balance brought forward from previous period		140	140
Add:			
Advance ¹		200	200
Replenishment received during the year/period ¹		10	10
Interest Earned			
Subtotal (A)		350	350
Deduct:			
Payments made during the year/period		150	150
Replenishment/Liquidation ¹	80		
Expenditure yet to be claimed	306		
Amount refunded during the year/period		25	25
Closing Balance (B)		140	130
As per bank statement (copy attached)		140	130

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

Notes: Figures indicated are illustrative in nature

[Signature]
Director Finance
J&K ERA

*Withdrawal application-wise references required

6.3 Details of Payments made directly by ADB are given below

(Add relevant details here)

6.4 Details of payments made through commitment procedure

(Add relevant details here)

6.5 Details of Grants

(Give relevant details for grants)

[Signature]
Director Finance
J&K ERA

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-2014 TO 31-MAR-2015)

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-2014 TO 31-MAR-2015**

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	5 (4x5)	7	8	7 + 8 = 9
89	1	Consultants	67,83,418	95	64,44,147	64,44,247		64,44,247
	1	Civil Works - Sewerage	27,06,012	82	22,18,930	22,18,930		22,18,930
	2	Consultants	22,80,739	95	21,66,702	21,66,702		21,66,702
	3	Incremental	1,26,83,892	80	1,01,47,114	1,01,47,114		1,01,47,114
90	1	Civil Works - Sewerage	28,45,102	82	23,32,984	23,32,984		23,32,984
	2	Consultants	60,32,453	95	57,30,930	57,30,830		57,30,830
	3	Incremental	1,08,05,063	80	86,44,050	86,44,050		86,44,050
91	1	Civil Works - Solid Waste	1,63,10,703	80	1,33,74,776	1,33,74,776		1,33,74,776
	1	Civil Works - Solid Waste	1,80,20,356	82	1,47,76,692	1,47,76,692		1,47,76,692
	2	Consultants	45,72,489	95	43,43,965	43,43,865		43,43,865
	1	Civil Works - Sewerage	52,10,700	82	42,72,775	42,72,775		42,72,775
	2	Consultants	20,83,741	95	19,79,553	19,79,553		19,79,553
93	1	Consultants	82,86,669	95	78,72,936	78,72,336		78,72,336
94	1	Civil Works - Sewerage	1,46,15,543	82	1,19,84,745	1,19,84,745		1,19,84,745
	2	Consultants	76,16,656	95	72,35,923	72,35,823		72,35,823
95	1	Civil Works - Solid Waste	1,99,23,398	82	1,63,37,186	1,63,37,186		1,63,37,186
	2	Consultants	93,41,319	95	88,74,153	88,74,253		88,74,253
96	1	Consultants	72,51,250	95	68,88,688	68,88,688		68,88,688
97	1	Incremental	6,58,99,432	80	5,27,19,546	5,27,19,546		5,27,19,546



Director Finance
 J&K ER&D

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-2014 TO 31-MAR-2015)**

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-2014 TO 31-MAR-2015

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
98	1	Consultants	1,05,46,538	95	1,00,19,211	1,00,19,211		1,00,19,211
99	1	Civil Works - Sewerage	4,50,000	82	3,69,000	3,69,000		3,69,000
	2	Incremental	2,06,20,086	80	1,64,96,069	1,64,96,069		1,64,96,069
100	1	Civil Works - Sewerage	19,19,827	82	15,74,258	15,74,258		15,74,258
	2	Incremental	87,77,477	80	70,21,982	70,21,982		70,21,982
101	1	Civil Works - Sewerage	33,11,560	82	27,15,479	27,15,479		27,15,479
	2	Consultants	54,34,301	95	51,62,586	51,62,586		51,62,586
102	1	Incremental	1,20,18,570	80	96,14,856	96,14,856		96,14,856
103	1	Consultants	1,08,44,104	95	1,03,01,899	1,03,01,899		1,03,01,899
104	1	Civil Works - Sewerage	5,69,000	82	4,66,580	4,66,580		4,66,580
	2	Consultants	8,06,704	95	7,66,369	7,66,369		7,66,369
	3	Incremental	1,20,79,056	80	96,63,245	96,63,245		96,63,245
		Total	31,06,46,158		26,25,16,629	26,25,16,629		26,25,16,629
		Total for Financial Year 2014-2015						

¹The financing percentages within the table for ADB funds are as per loan agreement Schedule 3.



Director Final
J&K ERA

Further Detail - Nil.

Name of the Executing Agency
 Name of the Implementing Agency

[NAME OF THE ENTITY/PROJECT]

Loan/Grant No.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED [YEAR END DATE]

		in (INR) Lakhs.
Current Year	Prior Year	Cumulative Project to Date

7 - 13

If any of the amounts given on the Statements of Receipts and Payments require further detail or Break-down, provide this here against relevant Note

L. H. Muro
 Director Finance
 J&K ERA

Name of Executing Agency - ECONOMIC RECONSTRUCTION AGENCY (ERA), JAMMU & KASHMIR
Name of Implementing Agency - ECONOMIC RECONSTRUCTION AGENCY (ERA), JAMMU & KASHMIR
Name of the Project - Jammu & Kashmir Urban Sector Development Investment Program (JKUSDIP), Tranche-I
Loan/Grant No. - 2331-IND

Annexure-9

STATEMENT OF APPROPRIATION VS. ACTUAL

Cost Categories	For the current year ended Mar 2015				For the Prior year ended Mar 2014				Cumulative from beginning to Mar 2015			
	Budgeted Expenditures INR '000	Actual Expenditures INR '000	Utilization Percentage %	Variance INR '000	Budgeted Expenditures INR '000	Actual Expenditures INR '000	Utilization Percentage %	Variance INR '000	Budgeted Expenditures INR '000	Actual Expenditures INR '000	Utilization Percentage %	Variance INR '000
Investment Costs												
Civil Works #	3,40,170	47,940	14.09%	2,92,230	4,44,682	3,48,236	78.31%	96,446	18,68,407	15,70,312	84.05%	2,98,095
Mechanical and Equipment												
Environment and Social Mitigation												
Consultants												
a. Project Management	1,20,000	94,990	79.16%	25,010	1,00,000	94,322	94.32%	5,678	4,25,000	4,13,849	97.38%	11,151
b. Capacity Development												
Others					22,500	21,085	93.71%	1,415	22,500	22,490	99.96%	10
Subtotal	4,60,170	1,42,930	31.06%	3,17,240	5,67,182	4,63,643	81.75%	1,03,539	23,15,907	20,06,551	86.65%	3,09,356
Recurrent Costs	1,40,000	1,39,085	99.35%	915	1,40,000	94,878	67.77%	45,122	3,60,000	3,58,653	99.63%	1,347
Salaries												
Accommodation												
Equipment Operation & Maintenance												
Others												
Subtotal	1,40,000	1,39,085	99.35%	915	1,40,000	94,878	67.77%	45,122	3,60,000	3,58,653	99.63%	1,347
Total Payments	6,00,170	2,82,015	46.99%	3,18,155	7,07,182	5,58,521	78.98%	1,48,661	25,75,907	23,65,304	88.37%	2,10,603
Financing Charges During Implementation												
Total Project Cost	6,00,170	2,82,015	46.99%	3,18,155	7,07,182	5,58,521	78.98%	1,48,661	26,75,907	23,65,304	88.39%	3,10,603
Grand total of expenditure in USD '000	9,785	4,598			11,708	9,247			50,769	44,876		

JIP Utilization was under achieved on account of termination of two works packages due to slow progress and encashment of Bank Guarantee

Note: Conversion Rate
2014-15 USD 1 = INR 61.34
2013-14 USD 1 = INR 60.40
Overall USD 1 = INR 52.71



Director Finance
J&K ERA

Non Profit making Agency

Name of the Executing Agency
 Name of the Implementing Agency
 Name of the Project
 Loan/Grant No.

EXPENDITURE BY OUTPUT COMPONENTS

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

Allocate the expenditure to the different Project Output Components as per the Loan Agreement. Add as many outputs as required. For common costs allocated specify the sharing ratios in the note 5.10

L. H. H. H.
 Director Finance
 J&K ERA

Example of a Management Assertion Letter

*Management Representation Letter
Enclosed with Audit Report*

(Project Letterhead)

(To Author)

(Date)

This assertion letter is provided in connection with your audit of the financial statement of the _____ Project for the year ended _____. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the cash basis of accounting followed by the Government of India, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

- The project financial statements are free of material misstatements including omissions.
- Project funds have been used for the purposes for which they were provided.
- Project expenditures are eligible for financing under the Loan/Credit agreement.
- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the project financial statements.
- We have made available to you all books of account and supporting documentation relation to the project.
- The project has complied with the conditions of all relevant legal agreements including the Financing Agreement, the Project Agreement, the Project Appraisal Document, the Minutes of Negotiations, and the Borrower's Project Implementation Plan.

 (Project Director / Chief Executive Officer)

 (Chief Finance Officer / Senior Finance Officer)

Letter to
Director Finance
J&K ERA

Excerpt from CAG Auditing Standards (2nd Edition, 2002) Chapter IV, Reporting Standards

12. The form and content of audit opinion and report.

12.1 The form and content of all audit opinions and reports are founded on the following general principles:

- (a) **Title.** The opinion or report should be preceded by a suitable title or heading, helping the reader to distinguish it from statements and information issued by others.
- (b) **Signature and date.** The opinion or report should be properly signed. The inclusion of a date informs the reader that consideration has been given to the effect of events or transactions about which the auditor became aware up to that date (which, in the case of regularity (financial) audits, may be beyond the period of the financial statement).
- (c) **Objectives and scope.** The opinion or report should include reference to the objectives and scope of the audit. This information establishes the purpose and boundaries of the audit.
- (d) **Completeness.** Opinions should be appended to and published with the financial statements to which they relate, but performance reports may be free standing. The auditor's opinions and reports should be presented as prepared by the auditor. In exercising its independence CAG may acquire information from time to time, which in the national interest cannot be freely disclosed. This can affect the completeness of the audit report. In this situation the auditor should consider the need to make a report, possibly including confidential or sensitive material in a separate, unpublished report.
- (e) **Addressee.** The opinion or report should identify those to whom it is addressed, as required by the circumstances of the audit engagement and local regulations or practice. This is unnecessary where formal procedures exist for its delivery.
- (f) **Identification of subject matter.** The opinion or report should identify the financial statements (in the case of regularity (financial) audits) or area (in the case of performance audits) to which it relates. This includes information such as the name of the audited entity, the date and period covered by the financial statements and the subject matter that has been audited.
- (g) **Legal basis.** Audit opinions and reports should identify the legislation or other authority providing for the audit.
- (h) **Compliance with standards.** Audit opinions and reports should indicate the auditing standards or practices followed in conducting the audit, thus providing the reader with an assurance that the audit has been carried out in accordance with generally accepted procedures.
- (i) **Timeliness.** The audit opinion or report should be available promptly to be of greatest use to readers and users, particularly those who have to take necessary action.


 Director Finance
 J&K ERA

To

Report on the Project Financial Statements

OR

Director Finance
J&K ERA

In addition, in our opinion;

- (a) Proceeds of the loan from ADB have been utilized for the purposes as per ADB Loan / Project Agreement
- (b) Financial covenants in the loan agreement [name and number of loan] dated [date of loan] 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 ineligible expenditures as detailed in the audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Loan Agreement.

(i)(a) The Imprest Accounts give a true and fair view of the receipts collected and payments made during the year ended--- 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.

[Auditor's Signature]

[Auditor's Address]

[Date]

Atam
Director Finance
J&K ERA

Accounting applies with due regard to the General Financial Rules, PWD codes, Treasury codes and other financial rules and codes as are in effect and applicable to the operations of the project.

This report should be dated as of the date to which the auditor has become aware of and completed the review of events and transactions. This is generally the final date of the work, as opposed to the date of signing the audit report.

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-2014 TO 31-MAR-2015

Particulars	Note Reference	During the Current Year for 12 month period	During the Previous Year for 12 month Period	in (INR) Cumulative Project to Date As at (end of CURRENT year)
Opening Balance¹ (A)		0.00	0.00	0.00
Receipts				
Funds received from Government ²	4			
ADB Loan ³	5	111,96,77,000.00	29,18,79,000.00	141,15,56,000.00
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)		111,96,77,000.00	29,18,79,000.00	141,15,56,000.00
Total (C = A + B)		111,96,77,000.00	29,18,79,000.00	141,15,56,000.00
Opening Balance Payments (D)		0.00	67,13,62,435.00	0.00
Investment Costs⁴	11			
Civil Works		67,81,11,193.00	56,28,96,029.00	124,10,07,222.00
Equipment		6,39,87,513.00	28,17,000.00	6,68,04,513.00
Training & Workshop		0.00	0.00	0.00
Consulting Services		12,89,08,917.00	1,05,74,631.00	13,94,83,548.00
Resettlement Plan		10,00,00,000.00	20,10,88,000.00	30,10,88,000.00
Land Acquisition		0.00	1,78,11,571.00	1,78,11,571.00
Sub Total (E)		97,10,07,623.00	79,51,87,231.00	176,61,94,854.00
Recurrent Cost	12			
Incremental Admin Costs		0.00	0.00	0.00
Sub Total (F)		0.00	0.00	0.00
Total Payments		97,10,07,623.00	79,51,87,231.00	176,61,94,854.00
Financing Charges During Implementation (G)	13			
Total Project Cost (H = D + E + F+G)		97,10,07,623.00	146,65,49,666.00	176,61,94,854.00
Closing Balance (C-H)		14,86,69,377.00	(117,46,70,666.00)	(35,46,38,851.00)

¹ If 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]
Director Finance
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

**STATEMENT OF EXPENDITURE BY CATEGORY AND FINANCIER (SOE) PROCEDURE
REPORT FOR THE YEAR/PERIOD ENDED 01-APR-2014 TO 31-MAR-2015**

Particulars	In (INR)									
	ADB ⁴		Co-Financier		Government		Total			
	Actual Expenditure		Actual Expenditure		Actual Expenditure		Expenditure			
	Percentage of financing ¹	Amount	%	Amount	%	Amount	%	Amount	%	
	1	2	3	4	5	6	7	8		
Investment Costs ²										
Civil Works	70	47,45,49,350				20,35,61,843		67,81,11,193		
Equipment	100	5,13,08,608				1,26,78,905		6,39,87,513		
Training & Workshop	100	0				0		0		
Consulting Services	80	9,11,37,183				3,77,71,734		12,89,08,917		
Resettlement Plan		0				10,00,00,000		10,00,00,000		
Land Acquisition		0				0		0		
Sub Total (A)		61,69,95,141				35,40,12,482		97,10,07,623		
Recurrent Cost										
Incremental Admin Costs	80	0				0		0		
Sub Total (B)		0				0		0		
Total Cost (C=A+B) ³		61,69,95,141				35,40,12,482		97,10,07,623		
% Total Project Cost										
Total Project Cost for Financial Year 2014-2015		61,69,95,141				35,40,12,482		97,10,07,623		

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



Director of Finance
Director Finance
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-2014 TO 31-MAR-2015

Statement of Disbursement

Statement of Disbursement	Note	Current Year	Prior Year	Cumulative Project to Date
ADB Fund claimed during the year				
Reimbursement ³	6.1	61,69,95,141.00	40,61,49,961.00	102,31,45,102.00
Imprest Fund ³	6.2			
Direct Payment	6.3	28,58,000.00		28,58,000.00
Commitment Letter	6.4			
Subtotal¹	(A)	61,98,53,141.00	40,61,49,961.00	102,60,03,102.00
Total Expenditure made during the year¹	(B)	97,10,07,623.00	79,51,87,231.00	176,61,94,854.00
Less:				
Expenditure not yet claimed	(C)	12,49,91,896.00	21,76,90,951.00	34,26,82,847.00
Borrower's Share	(D)	22,61,62,586.00	17,13,46,319.00	39,75,08,905.00
Total Eligible Expenditure Claimed (B - C - D = E = A)		61,98,53,141.00	40,61,49,961.00	102,60,03,102.00

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



Attended Finance
 Director
 J&K ERA

[NAME OF THE COUNTRY/IMPLEMENTING AND EXECUTING AGENCY]
[NAME OF THE ENTITY/PROJECT]
[ADB LOAN REFERENCE]
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED [YEAR END DATE]

1. Project Nature and Activities

1.1 Description of the Project, the nature of activities, commencement and expected completion dates. Mention location, domicile, legal form, controlling IA/ EA, brief nature of the project outputs,

1.2 Give legislative framework

Insert as relevant

2. STATEMENT OF COMPLIANCE

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Financial Statements

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

3.2 Basis of measurement

Financial statements have been prepared under the historical cost convention and on [cash/ accrual] basis of accounting

3.3 Changes in Accounting policies

Describe changes in accounting policies, if any

3.4 Fund Flow mechanism

Describe the fund flow mechanism, in particular, whether the IA/EA control funds or whether all payments are centralized

3.5 Advances and other receivables

Describe treatment of advances against expenditures

[Signature]
Director Finance
J&K ERA

3.6 Cash and cash equivalents

Cash equivalents comprise [define components of cash]. Explain if the entity controls unspent advances, only petty cash, or has a nil balance, as applicable

3.7 Accrued and other liabilities

Disclose any major liabilities which have not been accrued under the cash basis policy

3.8 Income

- i) *Describe nature of different types of income and how they are recognised. For example grants, sale of proceeds of fixed assets, interest income on bank accounts etc*
- ii) *[Include if applicable] Free of cost office space, electricity and certain other services provided by [insert name] are not valued and accordingly, are not recognized in these financial statements as income of the Project.*

3.9 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the financial statements of the Project are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is the Indian Rupee (INR).

(b) Transactions and balances

Transactions in foreign currency are converted at the exchange rate prevailing at the date of transaction. Foreign currency bank balances are re-stated at the year end rate, and the resulting gains/losses are recognized in the statement of receipts and payments account. Conversion Rate: USD \$ 1 = INR ____ as of 31 March ____

3.10 Allocation of Common Costs

Describe how common costs are allocated to different output/activities

3.11 Interest Expenses and Financial Charges

Describe how financial charges are treated and recorded. For example if these are not allocated to the Project by the borrower.

4. Funds Received from the Government

Give details of the government budgeting and funding mechanism

	in (INR) '000		
	Current Year	Prior Year	Cumulative Year to date
Government Counterpart funding			
Amount Reimbursable to Government			
Total			

5. DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the
_____ of _____ CH _____

[Signature]
Director Finance
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-2014 TO 31-MAR-2015****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.

ADB Source of Funds - Method of Withdrawal	Note Reference	During the Current Year	During the Previous Year	in (INR)	
				Cumulative Project to Date	
ADB Loan					
- By Reimbursement	6.1	61,69,95,141.00	40,61,49,961.00	102,31,45,102.00	
- By Imprest Account ¹	6.2				
- By Direct Payment	6.3	28,58,000.00	0.00	28,58,000.00	
- By Commitment Letter	6.4				
ADB Loan Total		61,98,53,141.00	40,61,49,961.00	102,60,03,102.00	
ADB Grant					
ADB Loan and Grand Total		61,98,53,141.00	40,61,49,961.00	102,60,03,102.00	

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

6.1 Funds Received from ADB through Reimbursement Method

[Signature]
Director Finance
J&K ERA



(Not Applicable)

Name of the Executing Agency
Name of the Implementing Agency

[NAME OF THE ENTITY/PROJECT]

Loan/Grant No.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED [YEAR END DATE]

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

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

		Prior Year	in (INR) '000 Current Year
Balance brought forward from previous period		100	140
Add:			
Advance ¹		200	200
Replenishment received during the year/period ¹		10	10
Interest Earned			
Subtotal (A)		310	350
Deduct:			
Payments made during the year/period		150	150
Replenishment /Liquidation ¹	50		
Expenditure yet to be claimed	100		
Amount refunded during the year/period		20	20
Closing Balance (B)		140	180
As per bank statement (copy attached)		140	180

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

Note: Figures indicated are illustrative in nature.

[Signature]
Director Finance
J&K ERA

¹Withdrawal application wise references required

6.3 Details of Payments made directly by ADB are given below


(Add relevant details here)

6.4 Details of payments made through commitment procedure

(Add relevant details here)

6.5 Details of Grants

(Give relevant details for grants)


Director Finance
J&K ERA

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-2014 TO 31-MAR-2015)

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-2014 TO 31-MAR-2015

W/A No.	SOE Sheet No.	Category	Total		ADB Financing %	Net Eligible Expense	Amount Reimbursed (in Rs)	Imprest Fund Replenished/ Liquidated	in (INR)	
			3	4					7	7 + 8 = 9
12	1	Civil Works		1,06,27,221	70	74,39,055	74,39,055			74,39,055
13	1	Civil Works		1,52,23,363	70	1,06,56,354	1,06,56,354			1,06,56,354
	2	Civil Works		69,77,867	70	48,84,507	48,84,507			48,84,507
14	1	Civil Works		47,46,050	70	33,22,235	33,22,235			33,22,235
	2	Consulting Services		29,58,150	80	23,66,520	23,66,520			23,66,520
15	1	Civil Works		3,43,00,861	70	2,40,10,603	2,40,10,603			2,40,10,603
	2	Equipment		1,01,80,000	100	1,01,80,000	1,01,80,000			1,01,80,000
	3	Consulting Services		33,50,298	80	26,80,238	26,80,238			26,80,238
	1	Civil Works		39,44,039	70	27,60,827	27,60,827			27,60,827
	2	Civil Works		17,94,700	70	12,56,290	12,56,290			12,56,290
	3	Consulting Services		33,65,756	80	26,92,605	26,92,605			26,92,605
	1	Civil Works		3,03,17,364	70	2,12,22,155	2,12,22,155			2,12,22,155
	2	Civil Works		61,05,843	70	42,74,090	42,74,090			42,74,090
16	1	Civil Works		3,37,91,517	70	2,36,54,062	2,36,54,062			2,36,54,062
	2	Civil Works		1,16,29,669	70	81,40,768	81,40,768			81,40,768
17	1	Civil Works		40,60,085	70	28,42,060	28,42,060			28,42,060
	2	Equipment		43,65,500	100	43,65,500	43,65,500			43,65,500
	3	Consulting Services		30,63,887	80	24,51,110	24,51,110			24,51,110



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-2014 TO 31-MAR-2015)

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-2014 TO 31-MAR-2015**

W/A No.	SOE Sheet No.	Category	Total		ADB Financing %	Net Eligible Expense	Amount Reimbursed (in Rs)	Imprest Fund Replenished/ Liquidated	Total Disbursement Using SOE Procedure	
			3	4					7	8
1	2				5	6 = (4*5)	7	8	7 + 8 = 9	
18	1	Civil Works		4,44,38,414	70	3,11,06,890	3,11,06,890		3,11,06,890	
	2	Equipment		81,86,954	100	81,86,954	81,86,954		81,86,954	
19	1	Civil Works		54,66,771	70	38,26,740	38,26,740		38,26,740	
	2	Civil Works		2,45,000	70	1,71,500	1,71,500		1,71,500	
	3	Civil Works		68,84,804	70	48,19,363	48,19,363		48,19,363	
	4	Equipment		28,36,366	100	28,36,366	28,36,366		28,36,366	
	5	Consulting Services		57,23,800	80	45,79,040	45,79,040		45,79,040	
20	1	Civil Works		2,17,19,661	70	1,52,03,763	1,52,03,763		1,52,03,763	
	2	Consulting Services		3,14,69,564	80	2,51,75,651	2,51,75,651		2,51,75,651	
21	1	Civil Works		9,05,23,404	70	6,33,66,383	6,33,66,383		6,33,66,383	
	2	Civil Works		66,83,915	70	46,78,740	46,78,740		46,78,740	
22	1	Civil Works		59,36,068	70	41,55,247	41,55,247		41,55,247	
	2	Civil Works		1,05,65,452	70	73,95,817	73,95,817		73,95,817	
	3	Consulting Services		59,32,719	80	47,46,175	47,46,175		47,46,175	
23	1	Civil Works		2,51,31,316	70	1,75,91,921	1,75,91,921		1,75,91,921	
24	1	Civil Works		53,29,843	70	37,30,890	37,30,890		37,30,890	
	2	Civil Works		65,86,502	70	46,10,552	46,10,552		46,10,552	
	3	Consulting Services		2,71,79,270	80	2,17,43,415	2,17,43,415		2,17,43,415	

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-2014 TO 31-MAR-2015)

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-2014 TO 31-MAR-2015

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing %	Net Eligible Expense	Amount Reimbursed (in Rs)	Imprest Fund Replenished/ Liquidated	Total Disbursement Using SOE Procedure
1	2	3	4	5	6 = (4*5)	7	8	7 + 8 = 9
25	1	Civil Works	3,29,73,458	70	2,30,81,421	2,30,81,421		2,30,81,421
	2	Civil Works	4,56,05,352	70	3,19,23,746	3,19,23,746		3,19,23,746
	3	Civil Works	78,06,065	70	54,64,246	54,64,246		54,64,246
27	1	Civil Works	4,10,80,577	70	2,87,56,404	2,87,56,404		2,87,56,404
	2	Civil Works	1,24,48,954	70	87,14,268	87,14,268		87,14,268
	3	Civil Works	86,71,109	70	60,69,776	60,69,776		60,69,776
	4	Equipment	2,04,71,702	100	2,04,71,702	2,04,71,702		2,04,71,702
28	1	Civil Works	1,16,200	70	81,340	81,340		81,340
	2	Civil Works	10,50,000	70	7,35,000	7,35,000		7,35,000
	3	Equipment	52,68,087	100	52,68,086	52,68,086		52,68,086
	4	Consulting Services	60,20,768	80	48,16,615	48,16,615		48,16,615
29	1	Civil Works	39,64,028	70	27,74,820	27,74,820		27,74,820
	2	Civil Works	28,40,557	70	19,88,390	19,88,390		19,88,390
	3	Consulting Services	24,34,314	80	19,47,451	19,47,451		19,47,451
30	1	Civil Works	4,37,70,257	70	3,06,39,180	3,06,39,180		3,06,39,180
31	1	Civil Works	98,39,497	70	68,87,648	68,87,648		68,87,648
32	1	Civil Works	68,00,000	70	47,60,000	47,60,000		47,60,000

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-2014 TO 31-MAR-2015)

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-2014 TO 31-MAR-2015**

W/A No.	SOE Sheet No.	Category	Total		ADB Financing %	Net Eligible Expense	Amount Reimbursed (in Rs)	Imprest Fund Replenished/ Liquidated	Total Disbursement Using SOE Procedure	
			3	4					7	8
1	2				5	6 = (4*5)	7	8	7 + 8 = 9	
	2	Consulting Services		1,06,70,467	80	85,36,374	85,36,374		85,36,374	
33	1	Civil Works		1,89,55,806	70	1,32,69,064	1,32,69,064		1,32,69,064	
34	1	Civil Works		1,11,08,825	70	77,76,177	77,76,177		77,76,177	
	2	Consulting Services		1,17,52,485	80	94,01,989	94,01,989		94,01,989	
35	1	Civil Works		3,78,67,226	70	2,65,07,058	2,65,07,058		2,65,07,058	
		Total		84,31,57,727		61,69,95,141	61,69,95,141		61,69,95,141	
		Total for Financial Year 2014-2015								

in (INR)

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



Director Finance
J&K ERA

Further Detail - Nil


Name of the Executing Agency
Name of the Implementing Agency

[NAME OF THE ENTITY/PROJECT]
 Loan/Grant No.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED [YEAR END DATE]

		in (INR) '000
Current Year	Prior Year	Cumulative Project to Date

7 - 13

If any of the amounts given on the Statements of Receipts and Payments require further detail or Break-down, provide this here against relevant Note


 Director Finance
 J&K ERA

STATEMENT OF APPROPRIATION VS. ACTUAL

Cost Categories	For the current year ended Mar 2015			For the Prior year ended Mar 2014			Cumulative from beginning to Mar 2015		
	Budgeted Expenditures INR '000	Actual Expenditures INR '000	Utilization Percentage %	Variance INR '000	Budgeted Expenditures INR '000	Actual Expenditures INR '000	Utilization Percentage %	Variance INR '000	Variance INR '000
Investment Costs									
Civil Works	9,25,457	6,78,111	73.27%	2,47,346	6,10,988	5,62,896	92.13%	48,092	2,95,438
Mechanical and Equipment	1,00,000	63,987	63.99%	36,013	2,850	2,817	98.84%	33	36,046
Environment and Social Mitigation	1,50,000	1,00,000	66.67%	50,000	2,09,000	2,01,088	96.21%	7,912	57,912
Consultants									
a. Project Management	1,00,000	96,263	96.26%	3,737	11,000	10,574	96.13%	426	4,163
b. Capacity Development	35,000	32,645	93.27%	2,355					2,355
Others					18,000	17,812	98.96%	188	
Subtotal	13,10,457	9,71,006	74.10%	3,39,451	8,51,838	7,95,187	93.35%	56,651	3,96,102
Recurrent Costs	0	0		0	0	0		0	
Salaries									
Accommodation									
Equipment Operation & Maintenance									
Others									
Subtotal	0	0		0	0	0		0	
Total Payments	13,10,457	9,71,006	74.10%	3,39,451	8,51,838	7,95,187	93.35%	56,651	3,96,102
Financing Charges During Implementation									
Total Project Cost	13,10,457	9,71,006	74.10%	3,39,451	8,51,838	7,95,187	93.35%	56,651	3,96,102
Grand total of expenditure in USD '000	21,311	15,791			13,770	12,855		35,014	28,600

Note: Conversion Rate
 2014-15 USD 1 = INR 61.49
 2013-14 USD 1 = INR 61.86
 Overall USD 1 = INR 61.76



Attendant
 Director Finance
 J&K ERA

Non-Profit Making Agency

Name of the Executing Agency

Name of the Implementing Agency

Name of the Project

Loan/Grant No.

EXPENDITURE BY OUTPUT COMPONENTS

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

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

[Signature]
Director Finance
J&K ERA

Example of a Management Assertion Letter

Management Representation
Enclosed with Audit Report

(Project Letterhead)

(To Author)

(Date)

This assertion letter is provided in connection with your audit of the financial statement of the _____ Project for the year ended _____. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the cash basis of accounting followed by the Government of India, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

- The project financial statements are free of material misstatements, including omissions.
- Project funds have been used for the purposes for which they were provided.
- Project expenditures are eligible for financing under the Loan/Credit agreement.
- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the project financial statements.
- We have made available to you all books of account and supporting documentation relation to the project.
- The project has complied with the conditions of all relevant legal agreements, including the Financing Agreement, the Project Agreement, the Project Appraisal Document, the Minutes of Negotiations, and the Borrower's Project Implementation Plan.

 (Project Director / Chief Executive Officer)

 (Chief Finance Officer / Senior Finance Officer)

Atm
 Director Finance
 J&K ERA

Excerpt from CAG Auditing Standards (2nd Edition, 2002) Chapter IV, Reporting Standards

12. The form and content of audit opinion and report.

12.1 The form and content of all audit opinions and reports are founded on the following general principles:

- (a) **Title.** The opinion or report should be preceded by a suitable title or heading, helping the reader to distinguish it from statements and information issued by others.
- (b) **Signature and date.** The opinion or report should be properly signed. The inclusion of a date informs the reader that consideration has been given to the effect of events or transactions about which the auditor became aware up to that date (which, in the case of regularity (financial) audits, may be beyond the period of the financial statement).
- (c) **Objectives and scope.** The opinion or report should include reference to the objectives and scope of the audit. This information establishes the purpose and boundaries of the audit.
- (d) **Completeness.** Opinions should be appended to and published with the financial statements to which they relate, but performance reports may be free standing. The auditor's opinions and reports should be presented as prepared by the auditor. In exercising its independence CAG may acquire information from time to time, which in the national interest cannot be freely disclosed. This can affect the completeness of the audit report. In this situation the auditor should consider the need to make a report, possibly including confidential or sensitive material in a separate, unpublished report.
- (e) **Addressee.** The opinion or report should identify those to whom it is addressed, as required by the circumstances of the audit engagement and local regulations or practice. This is unnecessary where formal procedures exist for its delivery.
- (f) **Identification of subject matter.** The opinion or report should identify the financial statements (in the case of regularity (financial) audits) or aren (in the case of performance audits) to which it relates. This includes information such as the name of the audited entity, the date and period covered by the financial statements and the subject matter that has been audited.
- (g) **Legal basis.** Audit opinions and reports should identify the legislation or other authority providing for the audit.
- (h) **Compliance with standards.** Audit opinions and reports should indicate the auditing standards or practices followed in conducting the audit, thus providing the reader with an assurance that the audit has been carried out in accordance with generally accepted procedures.
- (i) **Timeliness.** The audit opinion or report should be available promptly to be of greatest use to readers and users, particularly those who have to take necessary action.

[Signature]
 Director Finance
 J&K FRA

(Awaited)

Report of the Comptroller and Auditor General of India

To

(Project Implementing Authority)

Report on the Project Financial Statements

We have audited the accompanying financial statements of the _____ Project financed under Asian Development Bank Loan No. _____, which comprise the Statement of Receipts and Payments, the Statement of Expenditure by Category and Financier, the Statement of Disbursement and related notes for the year ended _____.

OR

In case, the PIA is maintaining Balance Sheet and statement of Income and Expenditure following para may be substituted:

We have audited the accompanying financial statements along with Balance Sheet balance sheet, income and expenditure statement and Cash Flow Statement and related statements of the _____ Project financed under Asian Development Bank Loan No. _____, for the year ended _____.

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

In our opinion, the financial statements present fairly, in all material respects, the sources and applications of funds of Project for the year ended [insert date] in accordance with Government of India accounting standards.²

¹ Insert titles of other required statements and schedules included in or annexed to the project financial statements, if any.

² Until the Ministry of Finance prescribes adoption of the accounting standards promulgated by GASAB or other body such as IPSAS, the accounting standards followed by the Government of India shall be the cash basis of

[Signature]
Director Finance
J&K ERA

- In addition, in our opinion;
- (a) Proceeds of the loan from ADB have been utilized for the purposes as per ADB Loan / Project Agreement
 - (b) Financial covenants in the loan agreement [name and number of loan] dated [date of loan] 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 ineligible expenditures as detailed in the audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Loan Agreement.

(iii) The Imprest Accounts give a true and fair view of the receipts collected and payments made during the year ended---; 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.

[Auditor's Signature]

[Auditor's Address]

[Date³]


Director Finance
J&K ERA

accounting applied with due regard to the General Financial Rules, PWD codes, Treasury codes and similar financial rules and codes as are in effect and applicable to the operations of the project.

³ The report should be dated as of the date to which the auditor has become aware of and considered the effects of events and transactions. This is generally the final date of fieldwork, as opposed to the date of signing the audit report.

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-III (JKUSDIP)

Loan/Grant No. 3132-IND

STATEMENT OF RECEIPTS AND PAYMENTS**REPORT FOR THE YEAR/PERIOD ENDED 01-APR-2014 TO 31-MAR-2015**

				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 Balance ¹ (A)		0.00	0.00		0.00
Receipts					
Funds received from Government ²	4				
ADB Loan ³	5				
ADB Grant ³	6	0.00	0.00		0.00
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)		0.00	0.00		0.00
Total (C = A + B)		0.00	0.00		0.00
Opening Balance Payments (D)					
Investment Costs ⁴	11				
Civil Works		30,94,19,530.00	0.00		30,94,19,530.00
Consulting Services		0.00	0.00		0.00
Resettlement Plan		0.00	0.00		0.00
Land Acquisition		1,02,30,000.00	0.00		1,02,30,000.00
Sub Total (E)		31,96,49,530.00	0.00		31,96,49,530.00
Recurrent Cost	12				
Incremental Admin Costs		0.00	0.00		0.00
Sub Total (F)		0.00	0.00		0.00
Total Payments		31,96,49,530.00	0.00		31,96,49,530.00
Financing Charges During Implementation (G)	13				
Total Project Cost (H = D + E + F+G)		31,96,49,530.00	0.00		31,96,49,530.00
Closing Balance (C-H)					

¹If cash balance are controlled by the entity, indicating cash balance, imprest account and SGIA balance separately.²These will include external assistance received by Government for the project.³This 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 procedure⁴Expenditure 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



Director Fin
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-III (JKUSDIP)
Loan/Grant No. 3132-IND

**STATEMENT OF EXPENDITURE BY CATEGORY AND FINANCIER (SOE) PROCEDURE
REPORT FOR THE YEAR/PERIOD ENDED 01-APR-2014 TO 31-MAR-2015**

Particulars	ADB ⁴						Co-Financier		Government		Total Expenditure in (INR)
	Percentage of financing ¹	Actual Expenditure		Actual Expenditure		Actual Expenditure		Actual Expenditure			
		Amount	%	Amount	%	Amount	%	Amount	%		
	1	2	3	4	5	6	7	8			
Investment Costs ²											
Civil Works	80	24,75,35,624				6,18,83,906		30,94,19,530			
Consulting Services	100	0				0		0			
Resettlement Plan		0				0		0			
Land Acquisition		0				1,02,30,000		1,02,30,000			
Sub Total (A)		24,75,35,624				7,21,13,906		31,96,49,530			
Recurrent Cost											
Incremental Admin Costs	50	0				0		0			
Sub Total (B)		0				0		0			
Total Cost (C=A+B) ³		24,75,35,624				7,21,13,906		31,96,49,530			
% Total Project Cost											
Total Project Cost for Financial Year 2013-2014		24,75,35,624				7,21,13,906		31,96,49,530			

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



Director
Director Finance
J&K

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-III (JKUSDIP)

Loan/Grant No. 3132-JND

FOR THE YEAR/PERIOD ENDED 01-APR-2014 TO 31-MAR-2015Statement of Disbursement

		in (INR)		
Statement of Disbursement	Note	Current Year	Prior Year	Cumulative Project to Date
ADB Fund claimed during the year				
Reimbursement ³	6.1	24,75,35,624.00	0.00	24,75,35,624.00
Imprest Fund ³	6.2			
Direct Payment	6.3			
Commitment Letter	6.4			
Subtotal	(A)	24,75,35,624.00	0.00	24,75,35,624.00
Total Expenditure made during the year¹	(B)	31,96,49,530.00	0.00	31,96,49,530.00
Less:				
Expenditure not yet claimed	(C)	1,02,30,000.00	0.00	1,02,30,000.00
Borrower's Share	(D)	6,18,83,906.00	0.00	6,18,83,906.00
Total Eligible Expenditure Claimed (B - C - D = E = A)		24,75,35,624.00	0.00	24,75,35,624.00

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



Director
J&K ERA

[NAME OF THE COUNTRY/IMPLEMENTING AND EXECUTING AGENCY]
[NAME OF THE ENTITY/PROJECT]
[ADB LOAN REFERENCE]
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED [YEAR END DATE]

1. Project Nature and Activities

1.1 Description of the Project, the nature of activities, commencement and expected completion dates. Mention location, domicile, legal form, controlling IA/ EA, brief nature of the project outputs.

1.2 Give legislative framework

Insert as relevant

2. STATEMENT OF COMPLIANCE

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Financial Statements

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

3.2 Basis of measurement

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

3.3 Changes in Accounting policies

Describe changes in accounting policies, if any

3.4 Fund Flow mechanism

Describe the fund flow mechanism, in particular, whether the IA/EA control funds or whether all payments are centralized

3.5 Advances and other receivables

Describe treatment of advances against expenditures

[Signature]
Director Finance
J&K ERA

3.6 Cash and cash equivalents

Cash equivalents comprise (define components of cash). Explain if the entity controls unspent advances, only petty cash, or has a nil balance, as applicable

3.7 Accrued and other liabilities

Disclose any major liabilities which have not been accrued under the cash basis policy

3.8 Income

- i) *Describe nature of different types of income and how they are recognised. For example grants, sale of proceeds of fixed assets, interest income on bank accounts etc.*
- ii) *[Include if applicable] Free of cost office space, electricity and certain other services provided by [insert name] are not valued and accordingly, are not recognized in these financial statements as income of the Project.*

3.9 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the financial statements of the Project are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is the Indian Rupee (INR).

(b) Transactions and balances

Transactions in foreign currency are converted at the exchange rate prevailing at the date of transaction. Foreign currency bank balances are re-stated at the year end rate, and the resulting gains/losses are recognized in the statement of receipts and payments account. Conversion Rate: USD \$ 1 = INR ____ as of 31 March ____

3.10 Allocation of Common Costs

Describe how common costs are allocated to different output/activities

3.11 Interest Expenses and Financial Charges

Describe how financial charges are treated and recorded. For example if these are not allocated to the Project by the borrower.

4. Funds Received from the Government

Give details of the government budgeting and funding mechanism

	in (US\$) '000		
	Current Year	Prior Year	Cumulative Year to date
Government Counterpart funding			
Amount Reimbursable to Government			
Total			

5. DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the
_____ of _____ of _____

L. Hand
Director Finance
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-III (JKUSDIP)

Loan/Grant No. 3132-IND

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR/PERIOD ENDED 01-APR-2014 TO 31-MAR-2015****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.

ADB Source of Funds - Method of Withdrawal	Note Reference	in (INR)		
		During the Current Year	During the Previous Year	Cumulative Project to Date
ADB Loan				
- By Reimbursement	6.1	24,75,35,624	0.00	24,75,35,624.00
- By Imprest Account ¹	6.2			
- By Direct Payment	6.3	0	0	0
- By Commitment Letter	6.4			
ADB Loan Total		24,75,35,624.00	0.00	24,75,35,624.00
ADB Grant				
ADB Loan and Grand Total		24,75,35,624.00	0.00	24,75,35,624.00

¹This should agree with the advances/replenishments net of refunds in Statement 6.2**6.1 Funds Received from ADB through Reimbursement Method**

L. Hand
Director Finance
J&K ERA



'Not Applicable'

Name of the Executing Agency
Name of the Implementing Agency

[NAME OF THE ENTITY/PROJECT]

Loan/Grant No.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED [YEAR END DATE]

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

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

		Prior Year	in (KHR) '000 Current Year
Balance brought forward from previous period		100	140
Add:			
Advance ¹		200	200
Replenishment received during the year/period ¹			
Interest Earned		10	10
Subtotal (A)		310	350
Deduct:			
Payments made during the year/period		150	150
Replenishment / liquidation ¹	50		
Expenditure yet to be claimed	100		
Amount refunded during the year/period		20	20
Closing Balance (B)		140	180
As per bank statement (copy attached)		140	180

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

Note: Figures indicated are illustrative in nature.


Director Finance
J&K ERA

¹Withdrawal application-wise references required

6.3 Details of Payments made directly by ADB are given below.

(Add relevant details here)

6.4 Details of payments made through commitment procedure

(Add relevant details here)

6.5 Details of Grants

(Give relevant details for grants)


Director Finance
J&K ERA

FOR THE YEAR ENDED (01-APR-2014 TO 31-MAR-2015)

DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
FOR THE YEAR/PERIOD ENDED 01-APR-2014 TO 31-MAR-2015

[illegible]

7
Further details - nil

Name of the Executing Agency
Name of the Implementing Agency

[NAME OF THE ENTITY/PROJECT]
Loan/Grant No.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED [YEAR END DATE]

		in (INR) '000
Current Year	Prior Year	Cumulative Project to Date

7-13

If any of the amounts given on the Statements of Receipts and Payments require further detail or Break-down, provide this here against relevant Note

[Signature]
Director Finance
J&K ERA

Name of Executing Agency - ECONOMIC RECONSTRUCTION AGENCY (ERA), JAMMU & KASHMIR
Name of Implementing Agency - ECONOMIC RECONSTRUCTION AGENCY (ERA), JAMMU & KASHMIR
Name of the Project - Jammu & Kashmir Urban Sector Development Investment Program (JKUSDIP), Tranche-III
Loan/Grant No. - 3132-IND

Annexure-9

STATEMENT OF APPROPRIATION VS. ACTUAL

Cost Categories	For the current year ended Mar 2015				For the prior year ended Mar 2014				Cumulative from beginning to Mar 2015			
	Budgeted Expenditures INR '000	Actual Expenditures INR '000	Utilization Percentage %	Variance INR '000	Budgeted Expenditures INR '000	Actual Expenditures INR '000	Utilization Percentage %	Variance INR '000	Budgeted Expenditures INR '000	Actual Expenditures INR '000	Utilization Percentage %	Variance INR '000
Investment Costs												
Civil Works	3,58,483	3,09,420	86.31%	49,063					3,58,483	3,09,420	86.31%	49,063
Mechanical and Equipment												
Environment and Social Mitigation												
Consultants												
a. Project Management												
b. Capacity Development												
Others												
Subtotal	10,230	10,230	100.00%	0					10,230	10,230	100.00%	0
Recurrent Costs												
Salaries	3,68,713	3,19,650	86.69%	49,063					3,68,713	3,19,650	86.69%	49,063
Accommodation	0	0							0	0		
Equipment Operation & Maintenance												
Others												
Subtotal	0	0							0	0		
Total Payments	3,68,713	3,19,650	86.69%	49,063					3,68,713	3,19,650	86.69%	49,063
Financing Charges During Implementation												
Total Project Cost	3,68,713	3,19,650							3,68,713	3,19,650		
Grand total of expenditure in USD '000	5,891	5,107							5,891	5,107		

Note:

Conversion Rate USD 1 = INR 62.59



Handwritten Signature
Director Finance
J&K ERA

Non Profit Making Agency

Name of the Executing Agency
Name of the Implementing Agency
Name of the Project
Loan/Grant No.

EXPENDITURE BY OUTPUT COMPONENTS

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

Allocate the common costs to the General Project Output Components as per the Unit Agreement. Add as many columns as required. For common costs allocated, specify the sharing ratio in the note A10.

Handwritten signature

Director Finance
J&K ERA

Example of a Management Assertion Letter

*Management Representation
Letter enclosed with Audit
Report*

(Project Letterhead)

(To Author)

(Date)

This assertion letter is provided in connection with your audit of the financial statement of the _____ Project for the year ended _____. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the cash basis of accounting followed by the Government of India, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

- The project financial statements are free of material misstatements including omissions.
- Project funds have been used for the purposes for which they were provided.
- Project expenditures are eligible for financing under the Loan/Credit agreement.
- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the project financial statements.
- We have made available to you all books of account and supporting documentation relation to the project.
- The project has complied with the conditions of all relevant legal agreements, including the Financing Agreement, the Project Agreement, the Project Appraisal Document, the Minutes of Negotiations, and the Borrower's Project Implementation Plan.

 (Project Director / Chief Executive Officer)

L. Handa
Director Finance
J&K ERA

 (Chief Finance Officer / Senior Finance Officer)

Excerpt from CAG Auditing Standards (2nd Edition, 2002) Chapter IV, Reporting Standards

12. The form and content of audit opinion and report.

12.1 The form and content of all audit opinions and reports are founded on the following general principles:

- (a) **Title.** The opinion or report should be preceded by a suitable title or heading, helping the reader to distinguish it from statements and information issued by others.
- (b) **Signature and date.** The opinion or report should be properly signed. The inclusion of a date informs the reader that consideration has been given to the effect of events or transactions about which the auditor became aware up to that date (which, in the case of regularity (financial) audits, may be beyond the period of the financial statement).
- (c) **Objectives and scope.** The opinion or report should include reference to the objectives and scope of the audit. This information establishes the purpose and boundaries of the audit.
- (d) **Completeness.** Opinions should be appended to and published with the financial statements to which they relate, but performance reports may be free standing. The auditor's opinions and reports should be presented as prepared by the auditor. In exercising its independence CAG may acquire information from time to time, which in the national interest cannot be freely disclosed. This can affect the completeness of the audit report. In this situation the auditor should consider the need to make a report, possibly including confidential or sensitive material in a separate, unpublished report.
- (e) **Addressee.** The opinion or report should identify those to whom it is addressed, as required by the circumstances of the audit engagement and local regulations or practice. This is unnecessary where formal procedures exist for its delivery.
- (f) **Identification of subject matter.** The opinion or report should identify the financial statements (in the case of regularity (financial) audits) or area (in the case of performance audits) to which it relates. This includes information such as the name of the audited entity, the date and period covered by the financial statements and the subject matter that has been audited.
- (g) **Legal basis.** Audit opinions and reports should identify the legislation or other authority providing for the audit.
- (h) **Compliance with standards.** Audit opinions and reports should indicate the auditing standards or practices followed in conducting the audit, thus providing the reader with an assurance that the audit has been carried out in accordance with generally accepted procedures.
- (i) **Timeliness.** The audit opinion or report should be available promptly to be of greatest use to readers and users, particularly those who have to take necessary action.

Atul
Director Finance
J&K ERA

Supersede 1.3
Succeeded

Report of the Comptroller and Auditor General of India

To

(Project Implementing Authority)

Report on the Project Financial Statements

We have audited the accompanying financial statements of the _____ Project financed under Asian Development Bank Loan No. _____, which comprise the Statement of Receipts and Payments, the Statement of Expenditure by Category and Financier, the Statement of Disbursement and related notes for the year ended _____.

OR

In case the PIA is maintaining Balance Sheet and statement of Income and Expenditure following para may be substituted:

We have audited the accompanying financial statements alongwith Balance Sheet balance sheet, income and expenditure statement and Cash Flow Statement and related statements of the _____ Project financed under Asian Development Bank Loan No. _____ for the year ended _____.


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

In our opinion, the financial statements present fairly, in all material respects, the sources and applications of funds of Project for the year ended [insert date] in accordance with Government of India accounting standards.²

¹ Insert titles of other required statements and schedules included in or annexed to the project financial statements, if any.

² Until the Ministry of Finance prescribes adoption of the accounting standards promulgated by IASB or other body such as IPSAS, the accounting standards followed by the Government of India shall be the cash based.


Director Finance
J&K ERA

In addition, in our opinion;

- (a) Proceeds of the loan from ADB have been utilized for the purposes as per ADB Loan / Project Agreement
- (b) Financial covenants in the loan agreement [name and number of loan] dated [date of loan] 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 ineligible expenditures as detailed in the audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Loan Agreement.

Gifts and Imprest Accounts give a true and fair view of the receipts collected and payments made during the year ended--- and (c) 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.


[Auditor's Signature]

[Auditor's Address]

[Date]

Accounting applied with due regard to the General Financial Rules, PWD codes, Treasury codes and local financial rules and codes as are in effect and applicable to the operations of the project.

The report should be dated as of the date to which the auditor has become aware of and controlled the audit events and transactions. This is generally the final date of fieldwork or approved or the date of signing the audit report.


Director Finance
J&K ERA