

Audited Project Financial Statements

Project Number: 43253-025
Loan/Grant Number: Loan 3148-IND
Period covered: 1 April 2019 to 31 March 2020

INDIA: Karnataka Integrated Urban Water Management Investment Program - Tranche 1

Prepared by Karnataka Urban Infrastructure Development and Finance Corporation Limited,
Bengaluru, Karnataka

For the Asian Development Bank
Date received by ADB: 30 December 2020

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 Access to Information Policy and as agreed between ADB and the Karnataka Urban Infrastructure Development and Finance Corporation Limited, Bengaluru, Karnataka

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G.V. ACHARYA & Co.

CHARTERED ACCOUNTANTS

Partners : G. Vamanacharya, B.Com., F.C.A., G.V. Shreesh Acharya, B.Com., F.C.A., DISA

310, 3rd Floor, 9/1, Commerce House, Cunningham Road, Bangalore - 560 052
☎ : 22202065 / 22285903 e-mail : gvacharyaco@gmail.com web : www.cagvacharya.com

Ref. :

Date : December 23, 2020

INDEPENDENT AUDITOR'S REPORT

To
Managing Director,
Karnataka Urban Infrastructure Development and Finance Corporation Limited,
Bangalore.

We have audited the accompanying Project Financial Statements of KARNATAKA INTEGRATED URBAN WATER MANAGEMENT INVESTMENT PROGRAM (KUIWMIP) ("Project") assisted by Asian Development Bank ("ADB") under Multi tranche Financing Facility and Loan No 3148-IND("Loan") implemented by KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED("the company") which comprise of Project Balance Sheet as of **March 31,2020**, Statement of Receipt and Payments, and Statement of Expenditure for the year ended and other explanatory information.

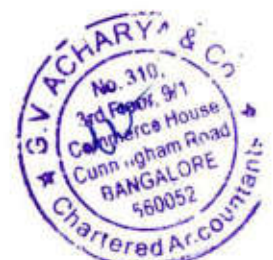
Project Management's Responsibility for the Project Financial Statements

Project Management is responsible for the preparation and fair presentation of the accompanying statements in format agreed between ADB and GOI/GOK as noted in the minutes of negotiations for the loan, in accordance with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Companies Act 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act safeguarding the assets of the company and for preventing and detecting frauds and irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of accounting record, relevant to the preparation and presentation of these Project 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 Project financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.



G.V ACHARYA & Co.
CHARTERED ACCOUNTANTS

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Project financial statements are free from material misstatement.

An audit involves examining, on a test basis, performing procedures to obtain audit evidence supporting the amounts, internal checks and disclosures in the financial statements. 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 financial control relevant to the entity's preparation of the Project financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. There are inherent limitations of audit whereby material misstatement arising due to fraud and error may not be detected.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforementioned project financial statements and appended notes that are subject of audit give a true and fair view, in all material aspects to the financial position of the Project as at **31st March 2020**, and are in accordance with Accounting Standards prescribed in India.

The proceeds of funds under the project loan have been utilized for the purposes for which they have been provided as agreed in Loan agreement between the ADB and GoI, and that no proceeds of the loan have been utilized for other purposes.

The Company has generally complied with covenants of the loan agreement as at the date of balance sheet and major deviations having significant impact on the project are not observed.

With respect to statement of Expenditure, adequate supporting documentation has been maintained to support claims to the ADB for reimbursements of expenditure eligible and incurred for financing under Loan agreement.

The Company has not availed any Imprest Account under this loan and as a result the use and procedure of Imprest Account are not applicable.

The Project financial statements of the KIUWMIP for the loan for the year ended March 31, 2020 are prepared, in all material respects, in accordance with the financial reporting provisions of Multi-tranche Financing Facility implemented by the company under ADB Loan.



G.V ACHARYA & Co.

CHARTERED ACCOUNTANTS

Basis of Accounting

Without modifying our opinion, the Project financial statements are prepared to provide information to ADB under Multi-tranche Financing Facility under ADB Loan. As a result, the statement may not be suitable for other purpose.

For G.V Acharya & Co.,

Chartered Accountants

ICAI Firm's Registration No. 000029S

G. Vamanacharya
G.Vamanacharya

Partner

ICAI Membership No.009850

Bangalore.



Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED
Name of IA : Respective ULBs / KUIDFC
Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1
Loan No : 3148 IND

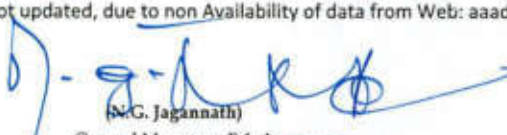
STATEMENT OF RECEIPTS AND PAYMENTS
REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020


In (INR) '000



Particulars	Note reference	During the Current Year	During the Previous Year	Cumulative project to Date
		for 12 month period	for 12 month period	As at [end of Current Year]
Opening Balance ¹ (A)		2,87,569	2,28,849	-
Receipts				
Funds received from Government ²	4	17,51,100	20,17,000	61,00,900
ADB Loan ³	6			-
ADB Grant ³	6			-
Co - financier 1	7			-
Co - financier 2	8			-
Beneficiary Contribution (if any)	9	1,01,449	98,492	2,79,220
Other receipts such as interest income, sale from disposals of fixed assets etc.	10	4,427	(1,866)	1,89,178
Total Receipts (B)		18,56,976	21,13,626	65,69,298
Total (C = A + B)		21,44,545	23,42,475	65,69,298
Payments				
Investment costs ⁴	11			
Civil Works		17,23,111	20,18,786	58,94,774
Equipments			-	-
other cost - Land Acquisition		-	3,572	17,323
Total Investments (D)		17,23,111	20,22,358	59,12,097
Recurrent Costs	12			
Consultancy and Administration		87,543	32,548	3,23,310
Total Payments (E)		18,10,654	20,54,906	62,35,407
Financing Charges During Implementation (F)	13	-	75,152	1,23,864
Total Project Cost (F= E + F)		18,10,654	21,30,058	63,59,271
Closing Balance (C- E)		3,33,891	2,87,569	3,33,891

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 6 of the financial statements form an integral part of these financial statements

Note reference 4: Funds received from Government includes ADB share
Note reference 13: Since Financing charges met by GOI, the closing balance is C - E, Financial Charges during F.Y 2019-20 is not updated, due to non Availability of data from Web: aaad.gov.in


N.G. Jagannath
General Manager - F & A
KUIDFC


G.V. Acharya
(G.V. Vamanacharya)
Partner M.No: 009850
G.V. Acharya & Co, FRN: 0000295

Annexure-2

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED
 Name of IA : Respective ULBs / KUIDFC
 Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1
 Loan No : 3148 IND

STATEMENT OF EXPENDITURE BY CATEGORY AND FINANCIER
 REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

								In (INR) '000
Particulars	ADB ⁴		Co-Financier		Government		Total Expenditure	
	Percentage of Financing ¹ 1	Actual Expenditure		Actual Expenditure		Actual Expenditure		
		Amount 2	% 3	Amount 4	% 5	Amount 6		% 7
							8	
Investment costs ²								
Civil Works	79%	46,46,777	79%			12,47,997	21%	58,94,774
Equipments	89%	-	-			-	-	-
Sub Total (A)		46,46,777		-		12,47,997		58,94,774
Recurrent Cost								
other cost - Land Acquisition	0%	-	0%			17,323	100%	17,323
Consultancy and Administration	0%	-	0%			3,23,310	100%	3,23,310
Sub Total (B)		-		-		3,40,633		3,40,633
Total Cost (C=A+B) ³		46,46,777		-		15,88,630		62,35,407
% OF Total project Cost		90%				54%		77%
Total Project Cost for indicative as at 31.3.2020		51,83,985				29,44,503		81,28,488

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

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

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

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

Notes 1 to 6 of the financial statements form an integral part of these financial statements


Loan Agreement signed on 30th December 2014 and project was effective from 07th May 2015

Note : INDICATIVE PROJECT COST AS AT 31.3.2020

Tranches	ADB	UFPF	GoK	Total
Tranche 1 - 3148 IND IN USD	75.00	1.80	40.80	117.60
Project cost in INR approximate @ 69.1198 / USD in INR '000	51,83,985	1,24,416	28,20,088	81,28,488

Note : ADB letters for exchange rate indicate RBI indicative rate @ 69.1198 / USD, the same is used for calculation indicative project cost


 (N.G. Jagannath)
 General Manager - Finance
 KUIDFC



 (G.V. Acharya)
 Partner M.No: 009850
 G.V. Acharya & Co, FRN: 000298


Annexure-3

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Loan No : 3148 IND

REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

Statement of Disbursement (Expenditure Incurred)

Details of the disbursement by method are given below

In (INR) '000

Statement of Disbursement	Note	Current Year	Prior Year	Cumulative Project to Date
ADB Fund Claimed during the year				
Reimbursement (Expenditure) ³	6.1	16,99,714	20,50,948	58,81,996
submitted during the year		15,37,854	14,63,030	47,76,992
Claims in the subsequent period		1,61,860	5,87,918	9,30,253
Imprest Fund ³	6.2	-	-	-
Direct payment	6.3	-	-	-
Commitment Letter	6.4	-	-	-
Sub Total	(A)	16,99,714	20,50,948	58,81,996
Total Expenditure made during the year ¹	(B)	18,10,654	20,54,906	62,35,407
Add : Statutory remittances/deductions	(C)	(23,397)	32,162	(12,778)
Less : Borrower's share & Ineligible ²	(D)	87,543	36,120	3,40,633
Total Eligible Expenditure claimed (B + C - D = E = A)	(E)	16,99,714	20,50,948	58,81,996

¹ The total expenditure as per Statement of Receipts and Payments.² This should tally with the Government share included in Statement of Expenditure by category and financier (Column 6)³ Includes both claims using SOE and full supporting documentation

Notes 1 to 6 of the financial statements form an integral part of these financial statements

RECONCILIATION OF ADB REIMBURSEMENT CUMULATIVE RECEIVED

in (INR) '000

As per ADB LFIS	46,46,776		
As per KUIDFC claims		Cumulative	Remarks
Current Year (2019-2020)	13,42,774	46,46,776	ADB reimbursement includes Expenditure of March'2020, reimbursed up to May'2020.
Previous Year (2018-2019)	16,20,249	33,04,002	
Previous Year (2017-2018)	9,74,566	16,83,754	
Previous Year (2016-2017)	4,19,958	7,09,188	
Previous Year (2015-2016)	2,89,229	2,89,229	
TOTAL KUIDFC CLAIMS REIMBURSED	46,46,776		
ANY DIFFERENCE	0.00		



KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP)
- PROJECT

Loan No : 3148 IND

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March'2020

1. DETAILED PROJECT DESCRIPTION

Project-1 of the Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) (the Project) supports improvements in urban infrastructure and services in the following 3 ULBs: Byadagi, Davangere and Harihar, and institutional development, improved municipal management and project implementation capacity across the State. The Project has the following components:

Output 1.1: Water Supply Infrastructure

This output comprises rehabilitation and expansion of potable water supply systems in the 3 ULBs: Byadagi, Davangere and Harihar. The following will be the specific outputs under this component:

- (i) Rehabilitation and expansion of water treatment plants (WTPs) – 20 MLD capacity in Harihara, 40 MLD capacity in Davanagere.
- (iii) Construction of new storage reservoirs – 4 reservoirs in Harihara, 18 reservoirs in Davanagere and 3 reservoirs in Byadgi.
- (iv) Construction of new transmission mains – 15.43 km in Harihara, 13.49 km in Davanagere and replacement of 8.7 km in Byadgi .
- (v) Construction of new distribution network – 263.5 km in Harihara, 1408.31 km in Davanagere and 114 km in Byadgi .
- (vi) Installation of House Service Connection- 14,000 No's, in Harihara, 7389 No's in Byadgi, and 97589 No's in Davanagere household meters for all 3 ULBs.

Output 1.2: Sanitation Infrastructure

This output comprises expansion of sewerage systems in the following 3 ULBs. The following will be the specific outputs under this component:

- (i) Construction of new sewer network – 74.39 km in Harihara, 188 km in Davanagere and 78.21 Km in Byadgi.
- (ii) Construction of new lift stations – 4 lifts stations in Harihara.
- (iii) Construction of new sewage treatment plants (STPs) – 5 MLD capacity in Byadgi, 20MLD capacity in District 1 and 1a and 5 MLD capacity in District 3 in Davanagere and 18 MLD capacity in Harihara.
- (iv) Provision of 5492 toilets across the 4 ULBs.



Output 1.3 : Improved water resource planning, monitoring and service delivery

This component will finance in Tranche 1:

- (i) A first installment for the ULB Incentive Fund;
- (ii) Preparation of 4 IT-based modules for volumetric tariff setting, water accounting and effluent discharge and improved MIS and Asset Management and testing in 3 Project-1 Towns;
- (iii) PSP approaches in water and sewerage service delivery.
- (iv) The preparation of the public communication and awareness program and materials.

Output 1.4 : Strengthened Capacity

This component comprises the following specific outputs:

- (i) Professional services to assist KUIDFC prepare strategic documents to enhance their financial intermediation capacity;
- (ii) Project management and design and construction supervision services for Project-1;
- (iii) Training programs for developing administrative and water management capacity at ULB level in 3 Project 1 towns.

Cost Estimates

The total cost of the Loan is estimated at US\$ 227 million. The Government of India will onlend the proceeds of the loans under the MFF to GoK on the same terms and conditions as the ADB loans. The financing plan for the Investment Program and the first PFR are presented in Table

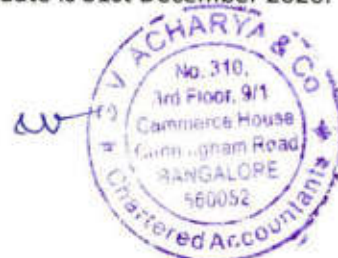
Table : Financing Plan of the Investment Program and First PFR

Source	Investment Program (\$ Mn)	Share (%)	Tranch1 (\$ Mn)	(\$ million)
				Share (%)
ADB	150.0	66.1	75.0	63.8
UFPF	2.0	0.9	1.8	1.5
GoK and other agencies	75.0	33.0	40.2	34.7
Total	227.0	100.0	117.0	100.0

Source: Asian Development Bank estimates.

Programme Period

The project is completed on 30th September 2020. The loan closing date is 31st December 2020.



2. Additional Notes:

- 2.1 Interest is calculated on the loan component of project releases as per govt. Orders subject to applicable moratorium on all projects handled by the company. The interest receivable is credited to Gok and debited to the respective implementing agencies.
- 2.2 There was no direct inflow of foreign currency during the year. However, during the year Govt. of India has received in respect of KIUWMI Project under Loan No. 3148- IND a sum of US\$ 23,861,230 (US\$ 17,736,376) from Asian Development Bank.
- (Source: Asian Development Bank -Loan Financial Information Services (LFIS))
- 2.3 As on march 31, 2020, the company has no outstanding dues to units covered by micro, small and medium industries development act, 2006.
- 2.4 Advances under project including EAP are released as per contractual terms against bg and adjustments are made in the running bill/monthly bills for contractor/ consultants/ NGO's. Advances given to IAs are adjusted against utilization certificates furnished as per the funding agencies guidelines.



3. SIGNIFICANT ACCOUNTING POLICIES:

3.1 General :

- i. The Financial Statements are prepared under the historical cost convention on an accrual basis and in accordance with the mandatory accounting standards as prescribed under section 133 of Companies Act'2013 read with Rule 7 of the Companies (Accounts) Rules,2014 (to the extent notified).
- ii. All items of Income and expenditure having a material bearing on the Company's Financial Statements are recognized on accrual basis except as stated otherwise.
- iii. Use of Estimates: The preparation of financial statements in conformity with the Principles in India requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of Assets, Liabilities, Income, Expenses and disclosures of contingent liability on the date of financial statements. Actual results could defer from those estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognized prospectively in Current and future Period.

3.2 Treatment of grants :

- i. The Company receives project specific grants both under externally aided projects and centrally sponsored schemes. To the extent grants are utilised for acquisition of fixed assets, equivalent amount is transferred from project grant account to capital reserve.
- ii To the extent grants are utilised for release as loan to the Implementing Agencies, equivalent amount is transferred from Project grant account 'due to' respective scheme/project accounts. To the extent amounts are released as grant to the implementing agencies, the same is charged off against the grants received from the Government.

3.3 Revolving Funds:

- i. As per relevant Government Order, Mega City Revolving Fund (MCRF) under the centrally sponsored Mega City scheme and Urban Infrastructure Development Fund (UIDF) under Externally Aided Projects and Centrally Sponsored Schemes are maintained to which loan repayments by the Implementing Agencies, interest on loan component recovered from Implementing Agencies and earnings on deployment of unutilised project grants are credited on realisation basis.

3.4 Revenue Recognition:

- i. In accordance with GoK letter No. UDD 13 PRJ 06 dated 3.5.2006, in lieu of Management fee, the administrative expenses of the Company will be provided by the Government through the Budget.
- ii. Management Fee payable by GOK is recognized as income to the extent of administrative expenses of the respective financial year.

3.5 Fixed Assets :

- i. Fixed assets are stated at cost, less accumulated depreciation.
- ii. Consequent to capitalization of UIB building constructed under NKUSIP depreciation on the same is considered as per Accounting Standard -12 and useful life of the building restricted till the end of lease period. (As per note No.26)



- iii. The depreciation is charged on non project assets over the useful lives of assets at the rates and manner stipulated under schedule II of the Companies Act, 2013 on Written Down Value method, commencing from the date the asset is available in the company for its use.
- iv. Leasehold Land is Amortized over the lease period.
- v. Intangible Assets are amortized over their respective individual estimated useful lives on Written Down Value method, commencing from the date the asset is available in the company for its use.
- vi. No depreciation is charged on the assets acquired under projects as the same are acquired out of the grants received under the specific projects. Residual cost if any, after setting off the value realised on disposal of such assets on completion of the project, shall be set off against the specific project grant.

3.6 Impairment of Assets:

- i. Assets belonging to the Company (not project Assets) are treated as impaired when the carrying cost of such assets exceed their recoverable value. Impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

3.7 Investments :

- i. Investments are classified as long term investments and stated at cost. No provision is made for temporary decline/increase in value of Investments.

3.8 Taxation :

- i. The provision for Income Tax is calculated in accordance with the relevant tax regulations applicable to the Company.
- ii. Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax assets and liability are measured as per the tax rates/ laws that have been enacted or substantively enacted by the balance sheet date and are reviewed for appropriateness of their respective carrying values at each balance sheet date.

3.9 Retirement Benefits:

Provisions for/ Contributions to retirement benefits schemes are made as follows:

- i. Provident fund on actual liability basis.
- ii. Gratuity based on actuarial valuation through Group Gratuity Policy of LIC.
- iii. Leave Encashment benefits on actual liability basis.

Place : Bangalore

Date : December 23, 2020

As per our report of even date

for G.V Acharya & Co.,

Chartered Accountants

FRN: 000029S


(N.G. Jagannath)
General Manager – F & A



Annexure-5

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Loan No : 3148 IND

REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

4. Funds Received from the Government

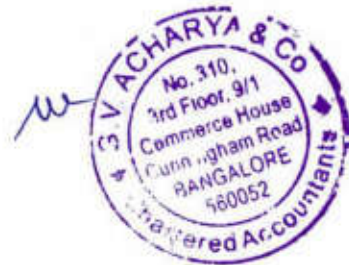
Give details of the government budgeting and funding mechanism

In (INR) '000			
Particulars	Current Year	Prior year	Cumulative Year to date
Government counterpart funding Amount Reimbursable to Government	17,51,100	20,17,000	61,00,900
Government of Karnataka has provided budgetary allocation and released the project funds to KUIDFC			
Total	17,51,100	20,17,000	61,00,900

5. DATE OF AUTHORIZATION

Government of Karnataka has authorised the Budget releases through Government Orders on the dates indicated

Particulars	Current Year	Prior year
Government approved above funds through Government order dates as detailed in the respective years	23-May-19	6-Apr-18
	4-Oct-19	29-Aug-18
	28-Dec-19	30-Oct-18
	21-Mar-20	16-Jan-19
		25-Mar-19



**Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - Project 1 - 3148
IND**

Date of Loan Agreement	:	30 December 2014
Date of Loan Effectiveness	:	07 May 2015
Date of Physical Closure	:	31 March 2020
Date of Financial Closure	:	31 December 2020

KEY TERMS & CONDITIONS; INTEREST AND DISBURSEMENT

Section 2.01.

- (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of seventy five million Dollars (\$75,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.06 of this Loan Agreement.
- (b) The Loan has a principal repayment period of 20 years and a grace period as defined in sub section(c) hereinafter.
- (c) The term "Grace Period" as used in subsection (b) herein above means the period prior to the first principal payment Date in accordance with the amortization schedule set forth in schedule 2 to this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB interest on the principal amount of the Loan withdrawn and outstanding from time to time at a rate for each Interest Period equal to the sum of:

- (a) LIBOR;
- (b) 0.60% as provided by Section 3.02 of the Loan Regulations less a credit of 0.10% as provided by Section 3.03 of the Loan Regulations; and
- (c) a maturity premium of 0.10% as provided by Section 3.03 of the Loan Regulations.

Section 2.03. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less amounts withdrawn from time to time), commencing 60 days after the date of this Loan Agreement.

Section 2.04. Interest and other charges on the Loan shall be payable semiannually on 15 September and 15 March in each year.

Disbursement Procedures

Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.



Annexure-6

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Loan No : 3148 IND

REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

6. Funds Received from ADB

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

In (INR) '000

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 Method	6.1	13,42,774	16,20,249	46,46,777
Reimbursement during the year		12,14,905	11,55,793	37,75,404
Reimbursement in the subsequent period		1,27,869	4,64,455	7,34,900
- By Imprest Account ¹	6.2			
- By Direct Payment	6.3			
- By Commitment Procedure	6.4			
ADB Loan Total		13,42,774	16,20,249	46,46,777
ADB Grant		-	-	-
ADB loan and Grant Total		13,42,774	16,20,249	46,46,777

¹ This should agree with the advances/replenishments net of refunds in Statement 5.2.

Note: 12,14,905 reimbursed up to 31.03.2020 and 1,27,869 Reimbursed during F.Y 2020-21, pertains to expenditure of March 2020

6.1 Funds Received from ADB through Reimbursement Method

DISBURSEMENT CLAIMS (REIMB & SOE) PROCEDURE SUBMITTED TO ADB DURING 2019-2020
REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020 - 2019 - 2020

Application No.	W/App. No.	SOE sheet No	Category	Total amount paid Eligible Amount	ADB Financing %	Net Eligible Expenses	Amount Reimbursed	Imprest Fund Replenished / Liquidated	Total Disbursement Using SOE Procedure	Disbursement Procedure
1	2	3	4	5	6=4x5	7	8	9=7+8		
DISBURSEMENT CLAIMS of FY 2019-2020 SUBMITTED BEFORE 31ST MARCH 2020										
T1-0048	WA 048		01	1,10,931	79%	87,636	87,636		87,636	Documented
T1-0049	WA 049		01	41,563	79%	32,835	32,835		32,835	Documented
T1-0050	WA 050		01	76,272	79%	60,255	60,255		60,255	Documented
T1-0051	WA 051		01	1,54,760	79%	1,22,260	1,22,260		1,22,260	Documented
T1-0052	WA 052		01	30,618	79%	24,189	24,189		24,189	Documented
T1-0053	WA 053		01	1,95,332	79%	1,54,312	1,54,312		1,54,312	Documented
T1-0054	WA 054		01	2,05,311	79%	1,62,196	1,62,196		1,62,196	Documented
T1-0055	WA 055		01	1,46,231	79%	1,15,522	1,15,522		1,15,522	Documented
T1-0056	WA 056		01	37,978	79%	30,002	30,002		30,002	Documented
T1-0057	WA 057		01	1,08,495	79%	85,711	85,711		85,711	Documented
T1-0058	WA 058		01	2,45,833	79%	1,94,208	1,94,208		1,94,208	Documented
T1-0059	WA 059		01	22,949	79%	18,130	18,130		18,130	Documented
T1-0060	WA 060		01	1,61,581	79%	1,27,649	1,27,649		1,27,649	Documented
Total claim up to 31st March 2020				15,37,854		12,14,905	12,14,905		12,14,905	
DISBURSEMENT CLAIMS of FY 2019-2020 SUBMITTED AFTER 31ST MARCH 2020										
T1-0061	WA 061		01	1,61,860	79%	1,27,869	1,27,869		1,27,869	Documented
Total claim after 31st March 2020				1,61,860		1,27,869	1,27,869		1,27,869	
GRAND TOTAL CLAIM FOR 2019-2020				16,99,714		13,42,774	13,42,774		13,42,774	

DISBURSEMENT CLAIMS (REIMB & SOE) PROCEDURE SUBMITTED TO ADB DURING 2018-2019
REPORT FOR THE YEAR / PERIOD ENDED 31st March 2019 - 2018 - 2019

Application No.	W/App. No.	SOE sheet No	Category	Total amount paid Eligible Amount	ADB Financing %	Net Eligible Expenses	Amount Reimbursed	Imprest Fund Replenished / Liquidated	Total Disbursement Using SOE Procedure	Disbursement Procedure
1	2	3	4	5	6=4x5	7	8	9=7+8		
DISBURSEMENT CLAIMS of FY 2018-2019 SUBMITTED BEFORE 31ST MARCH 2019										
T1-0032	WA 032		01	51,803	79%	40,925	40,925		40,925	Documented
T1-0033	WA 033		01	4,97,991	79%	3,93,413	3,93,413		3,93,413	Documented
T1-0034	WA 034		01	1,00,933	79%	79,737	79,737		79,737	Documented
T1-0035	WA 035		01	44,292	79%	34,991	34,991		34,991	Documented
T1-0036	WA 036		01	1,00,371	79%	79,293	79,293		79,293	Documented
T1-0037	WA 037		01	95,076	79%	75,110	75,110		75,110	Documented
T1-0038	WA 038		01	29,879	79%	23,604	23,604		23,604	Documented
T1-0039	WA 039		01	78,064	79%	61,670	61,670		61,670	Documented
T1-0040	WA 040		01	53,501	79%	42,266	42,266		42,266	Documented
T1-0041	WA 041		01	63,818	79%	50,416	50,416		50,416	Documented
T1-0042	WA 042		01	28,347	79%	22,394	22,394		22,394	Documented
T1-0043	WA 043		01	1,14,201	79%	90,219	90,219		90,219	Documented
T1-0044	WA 044		01	2,04,754	79%	1,61,755	1,61,755		1,61,755	Documented
Total claim up to 31st March 2019				14,63,030		11,55,793	11,55,793		11,55,793	
DISBURSEMENT CLAIMS of FY 2018-2019 SUBMITTED AFTER 31ST MARCH 2019										
T1-0045	WA 045		01	2,25,686	79%	1,78,292	1,78,292		1,78,292	Documented
T1-0046	WA 046		01	2,74,081	79%	2,16,524	2,16,524		2,16,524	Documented
T1-0047	WA 047		01	88,151	79%	69,640	69,640		69,640	Documented
Total claim after 31st March 2019				5,87,918		4,64,455	4,64,455		4,64,455	
GRAND TOTAL CLAIM FOR 2018-2019				20,50,948		16,20,249	16,20,249		16,20,249	



Annexure-7

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Loan No : 3148 IND

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

STATEMENT OF IMPREST ACCOUNT REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

		In (INR) '000
Balance brought forward from previous period	Prior Year	Current Year
Add: Advance ¹ Replenishment received during the year/period Interest Earned Subtotal (A) Deduct : Repayments made during the year / period Replenishment/Liquidation Expenditure yet to be claimed Amount refunded during the year/period Closing Balance (B)	Imprest Account Not Availed	
As per Bank Statement (Copy attached)	Imprest Account Not Availed	

¹ Withdrawal application-wise references required

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)

Not Applicable since Imprest Account Not Availed

6.3 Details of Payments made directly by ADB are given below

Not Applicable since no direct payments by ADB under the project

6.4 Details of payments made through commitment procedure

Not Applicable since no commitment procedure used

6.5 Details of Grants

Grants is given by ADB under Urban Financing Partnership Facility (UFPF) for \$1,800,000 & the Grant No. 0399-IND.



Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Loan No : 3148 IND

NOTES TO THE FINANCIAL STATEMENTS

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

DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

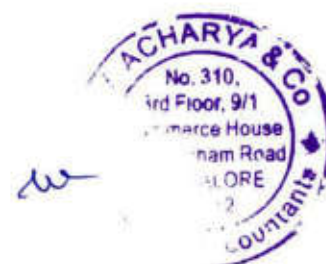
In (INR) '000

Application No.	W/App. No.	SOE sheet No	Category	Total amount paid Eligible Amount	ADB Financing % ¹	Net Eligible Expenses	Amount Reimbursed	Imprest Fund Replenished / Liquidated	Total Disbursement Using SOE Procedure	Disbursement Procedure
1	2	3	4	5	6=4x5	7	8	9=7+8		
NO CLAIMS UNDER SOE										
Total claim up to 31st March 2020										
				-		-	-		-	

¹ The financing percentages within the table for ADB funds are as per loan agreement Schedule 3.DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
REPORT FOR THE YEAR / PERIOD ENDED 31st March 2019

In (INR) '000

Application No.	W/App. No.	SOE sheet No	Category	Total amount paid Eligible Amount	ADB Financing % ¹	Net Eligible Expenses	Amount Reimbursed	Imprest Fund Replenished / Liquidated	Total Disbursement Using SOE Procedure	Disbursement Procedure
1	2	3	4	5	6=4x5	7	8	9=7+8		
NO CLAIMS UNDER SOE										
Total claim up to 31st March 2019										
				-		-	-		-	

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

Annexure-9

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Loan No : 3148 IND

NOTES TO THE FINANCIAL STATEMENTS
REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

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

In (INR) '000

Particulars	Current Year	Prior year	Cumulative Year to date
I) Expenditures by Component for Tranche 1			
Works			
A. Sanitation Infrastructure			
Davanagere - 01DVG01	1,01,422	2,59,252	8,11,782
Davanagere - 01DVG01 A	9,977	43,301	3,90,509
Harihara - 01HRA01	14,631	1,47,342	5,91,587
Byadagi - 01BDG01	1,05,123	2,04,343	4,99,238
			-
B. Water Supply			-
Davanagere - 01WS01	58,723	99,600	6,98,094
Davanagere - 01WS05	11,45,193	9,29,255	20,74,448
Harihara - 01HRA2	57,577	1,17,669	2,58,673
Harihara - 01WS04	1,67,707	1,65,862	3,87,090
Byadagi - 01BDG02	5,841	12,962	63,537
Byadagi - 01WS03	48,937	51,643	1,27,641
			-
Statutory remittances	7,980	(12,443)	(7,825)
Equipments	-	-	-
Consultancy & Administration expenses including advances	87,543	32,548	3,23,310
I) Total Expenditure	18,10,654	20,51,334	62,18,084
II) Land Acquisition	-	3,572	17,323
Total Expenditure - (I + II) - Loan 3148 IND	18,10,654	20,54,906	62,35,407



Annexure-10

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Loan No : 3148 IND

STATEMENT OF APPROPRIATION VS ACTUAL

In (INR) '000

Cost Categories	For the Current Year Ended 2020				For the Previous Year Ended 2019				Cumulative from [beginning of Project] to year to date			
	Budgeted Expenditure	Actual Expenditure	Utilisation Percentage	Variance	Budgeted Expenditure	Actual Expenditure	Utilisation Percentage	Variance	Budgeted Expenditure	Actual Expenditure	Utilisation Percentage	Variance
	in (INR) '000	in (INR) '000	%	in (INR) '000	in (INR) '000	in (INR) '000	%	in (INR) '000	in (INR) '000	in (INR) '000	%	in (INR) '000
I) Expenditures by Component for Tranche 1												
Works	18,72,947	17,23,111	92%	1,49,836	21,94,333	20,18,786	92%	1,75,547	64,19,591	58,94,774	92%	4,15,750
Equipments	-	-	-	-	-	-	-	-	-	-	0%	-
Consultancy & Admin exp incld advances	87,543	87,543	100%	-	32,548	32,548	100%	-	3,24,800	3,23,310	100%	1,490
Total	19,60,490	18,10,654	92%	1,49,836	22,26,881	20,51,334	92%	1,75,547	67,44,391	62,18,084	92%	4,17,240
II) Land Acquisition	-	-	-	-	3,572	3,572	-	-	17,323	17,323	100%	-
Total Expenditure - (I + II)	19,60,490	18,10,654	92%	1,49,836	22,30,453	20,54,906	92%	1,75,547	67,61,714	62,35,407	92%	4,17,240
Financing Charges During Implementation	-	-	-	-	-	75,152	-	-	-	1,23,864	0%	-
Total Project Cost	19,60,490	18,10,654	92%	1,49,836	22,30,453	21,30,058	95%	1,75,547	67,61,714	63,59,271	94%	4,17,240
Project cost in INR approximate @ 69.1198 / USD in INR '000		26,195.88				29,257.60				94,240.16		



Annexure-11

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Loan No : 3148 IND

EXPENDITURE BY OUTPUT COMPONENTS

In (INR) '000

Cost Categories	Unallocable common costs			Output1			Output 2			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
I) Expenditures by Component for Tranche 1												
Works	20,18,786	17,23,111	58,94,774	20,18,786	17,23,111	58,94,774				20,18,786	17,23,111	58,94,774
Equipments	-	-	-	-	-	-				-	-	-
Consultancy & Admin exp incld advances	32,548	87,543	3,23,310	32,548	87,543	3,23,310				32,548	87,543	3,23,310
Total	20,51,334	18,10,654	62,18,084	20,51,334	18,10,654	62,18,084				20,51,334	18,10,654	62,18,084
II) Land Acquisition	3,572	-	17,323	3,572	-	17,323				3,572	-	17,323
Total Expenditure - (I + II)	20,54,906	18,10,654	62,35,407	20,54,906	18,10,654	62,35,407				20,54,906	18,10,654	62,35,407
Financing Charges During Implementation	75,152	-	1,23,864	75,152	-	1,23,864				75,152	-	1,23,864
Total Project Cost	21,30,058	18,10,654	63,59,271	21,30,058	18,10,654	63,59,271				21,30,058	18,10,654	63,59,271
% OF Total project Cost		90%										



Karnataka Urban Infrastructure Development and Finance Corporation Ltd, Bangalore.

ADB assisted KIUWMI Project Loan No.3148-IND Balance Sheet as at 31st March 2020

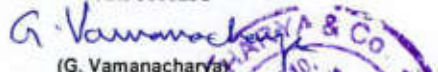

PARTICULARS	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		Rs	Rs
I. EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital		-	-
Reserves & Surplus	1	53,48,909	53,48,909
Non-Current Liabilities			
Other Long Term Liabilities	2	2,65,65,57,299	1,76,36,85,373
Long Term Provisions		-	-
Current Liabilities			
Short Term Borrowings	3	9,71,615	3,75,554
Other Current Liabilities	4	62,13,81,839	46,37,62,205
Short Term Provisions		-	-
TOTAL OF EQUITY & LIABILITIES		3,28,42,59,662	2,23,31,72,041
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	5	53,48,909	53,48,909
Intangible Assets		-	-
Deferred Tax Assets (Net)		-	-
Long-Term Loans and Advances	6	2,65,65,57,299	1,76,36,85,373
Current Assets			
Cash and Bank Balances	7	33,38,91,417	29,01,76,529
Short-Term Loans and Advances	8	28,47,96,362	17,16,73,449
Other Current Assets	9	36,65,675	22,87,781
TOTAL OF ASSETS		3,28,42,59,662	2,23,31,72,041
Notes on Financial Statements	3		

Notes referred above are an integral part of Financial Statements

Place: Bangalore
Date : 23rd December 2020


(N.G. Jagadeesh)
Gen. Manager, F & A


As per our report of even date
for G.V Acharya & Co.
Chartered Accountants
FRN: 000029S


(G. Vamanacharya)
Partner M. No:009850


ADB assisted KIUWMI Programme- Notes on Financial Statements for the year ended 31st March 2020

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	Rs	Rs
1. Reserves & Surplus		
Project Reserve:		
Balance as per previous Balance Sheet	53,48,909	50,47,617
Add: Grants Utilised towards :		
(i) Fixed Assets	-	3,01,292
Less: Deletion/Adjustment of Fixed Assets	-	-
TOTAL	53,48,909	53,48,909
2. Other Long Term Liabilities		
Outstanding Principal Due to GOK-UIDF-RF	2,65,65,57,299	1,76,36,85,373
TOTAL	2,65,65,57,299	1,76,36,85,373
3. Short Term Borrowings		
Inter Project Payable	9,71,615	3,75,554
TOTAL	9,71,615	3,75,554
4. Other Current Liabilities		
Government of Karnataka A/c (KIUWMI Project)	54,50,42,784	34,14,24,850
Other Payables	7,63,39,055	12,23,37,355
TOTAL	62,13,81,839	46,37,62,205
5. Fixed Assets		
Tangible Assets	53,48,909	53,48,909
TOTAL	53,48,909	53,48,909
6. Long-term loans and advances		
Outstanding KIUWMI Project Loan Due from IA's	2,65,65,57,299	1,76,36,85,373
TOTAL	2,65,65,57,299	1,76,36,85,373
7. Cash and Bank/Treasury Balances		
PD A/c with State Govt- KIUWMIP	1,61,00,000	16,05,59,723
Vijaya Bank-Davanagere - KIUWMIP	2,58,333	29,83,481
Vijaya Bank-Indiranagar- KIUWMIP	31,49,24,826	12,40,25,067
Corporation Bank - Indiranagar	26,08,258	26,08,258
TOTAL	33,38,91,417	29,01,76,529
8. Short-Term Loans and Advances		
Advance to Consultants	-	39,62,624
Advance to Staffs	22,200	-
Other Receivable	28,47,61,162	16,38,67,029
Inter Project Receivable	13,000	38,43,796
TOTAL	28,47,96,362	17,16,73,449
9. Other Current Assets		
Tax Deducted at Source on Deposits	36,65,675	22,87,781
TOTAL	36,65,675	22,87,781



Note No 5: Disclosure pursuant to Schedule II to the Companies Act, 2013 (KIUWMIP)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2019	Additions during the Year	Deletions/Adj during the Year	As at 31/03/2020	As at 01/04/2019	For the year	Withdrawn during the year	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
(i) Tangible assets										
OFFICE EQUIPMENT										
Acqa Guard	11,490	-	-	11,490	-	-	-	-	11,490	11,490
UPs Systems	1,17,009		-	1,17,009	-	-	-	-	1,17,009	1,17,009
Air Conditioner	91,780			91,780	-	-	-	-	91,780	91,780
Telephone & Others	55,522			55,522	-	-	-	-	55,522	55,522
Biometric	29,700			29,700	-	-	-	-	29,700	29,700
Scanner	3,800			3,800	-	-	-	-	3,800	3,800
Projector	1,27,100			1,27,100	-	-	-	-	1,27,100	1,27,100
Fan	9,700			9,700	-	-	-	-	9,700	9,700
FURNITURE & FITTINGS										
Furniture & Fittings	15,96,805		-	15,96,805	-	-	-	-	15,96,805	15,96,805
COMPUTERS & PRINTERS										
Computer	12,86,346			12,86,346	-	-	-	-	12,86,346	12,86,346
Vehicles										
Innova Car	20,19,657		-	20,19,657	-	-	-	-	20,19,657	20,19,657
GRAND TOTAL	53,48,909	-	-	53,48,909	-	-	-	-	53,48,909	53,48,909
PREVIOUS PERIOD	53,48,909	-	-	53,48,909	-	-	-	-	53,48,909	53,48,909





G.V. ACHARYA & Co.

CHARTERED ACCOUNTANTS

Partners : G. Vamanacharya, B.Com., F.C.A., G.V. Shreesh Acharya, B.Com., F.C.A., DISA

310, 3rd Floor, 9/1, Commerce House, Cunningham Road, Bangalore - 560 052
☎ : 22202065 / 22285903 e-mail : gvacharyaco@gmail.com web : www.cagvacharya.com

Ref. :

Date : December 23, 2020

INDEPENDENT AUDITOR'S REPORT

To
Managing Director,
Karnataka Urban Infrastructure Development and Finance Corporation Limited,
Bangalore.

We have audited the accompanying Project Financial Statements of KARNATAKA INTEGRATED URBAN WATER MANAGEMENT INVESTMENT PROGRAM (KUIWMIP) ("Project") assisted by Asian Development Bank ("ADB") under Multi tranche Financing Facility and Grant No.0399-IND("Grant") implemented by KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED("the company") which comprise of Project Balance Sheet as of March 31,2020, Statement of Receipt and Payments, and Statement of Expenditure for the year ended and other explanatory information.

Project Management's Responsibility for the Project Financial Statements

Project Management is responsible for the preparation and fair presentation of the accompanying statements in format agreed between ADB and GOI/GOK as noted in the minutes of negotiations for the Grant, in accordance with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Companies Act 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act safeguarding the assets of the company and for preventing and detecting frauds and irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of accounting record, relevant to the preparation and presentation of these Project 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 Project financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.



G.V ACHARYA & Co.
CHARTERED ACCOUNTANTS

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Project financial statements are free from material misstatement.

An audit involves examining, on a test basis, performing procedures to obtain audit evidence supporting the amounts, internal checks and disclosures in the financial statements. 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 financial control relevant to the entity's preparation of the Project financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. There are inherent limitations of audit whereby material misstatement arising due to fraud and error may not be detected.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

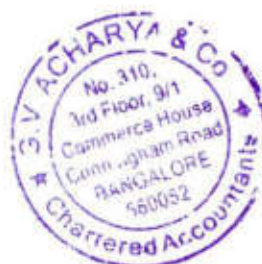
In our opinion, and to the best of our information and according to the explanations given to us, the aforementioned project financial statements and appended notes that are subject of audit give a true and fair view, in all material aspects to the financial position of the Project as at 31st March 2020, and are in accordance with Accounting Standards prescribed in India.

The proceeds of funds under the project Grant have been utilized for the purposes for which they have been provided as agreed in **Grant** agreement between the ADB and GoI, and that no proceeds of the Grant have been utilized for other purposes.

The Company has generally complied with covenants of the Grant agreement as at the date of balance sheet and major deviations having significant impact on the project are not observed.

With respect to statement of Expenditure, adequate supporting documentation has been maintained to support claims to the ADB for reimbursements of expenditure eligible and incurred for financing under Grant agreement.

The Company has not availed any Imprest Account under this Grant and as a result the use and procedure of Imprest Account are not applicable.



G.V ACHARYA & Co.

CHARTERED ACCOUNTANTS

The Project financial statements of the KIUWMIP for the Grant for the year ended March 31, 2020 are prepared, in all material respects, in accordance with the financial reporting provisions of Multi-tranche Financing Facility implemented by the company under ADB Grant.

Basis of Accounting

Without modifying our opinion, the Project financial statements are prepared to provide information to ADB under Multi-tranche Financing Facility under ADB Grant. As a result, the statement may not be suitable for other purpose.

For G.V Acharya & Co.,
Chartered Accountants
ICAI Firm's Registration No. 000029S

G. Vamanacharya
G. Vamanacharya
Partner
ICAI Membership No. 009850
Bangalore.



Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Grant No : 0399 IND

STATEMENT OF RECEIPTS AND PAYMENTS
REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

In (INR) '000

Particulars	Note reference	During the Current Year	During the Previous Year	Cumulative project to Date
		for 12 month period	for 12 month period	As at [end of Current Year]
Opening Balance ¹ (A)		389	354	-
Receipts				
Funds received from Government ²	4	13,000	33,000	47,000
ADB Loan ³	6			-
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)		13,000	33,000	47,000
Total (C = A + B)		13,389	33,354	47,000
Payments				
Investment costs ⁴	11			
Toilet Construction Through Output Based Assistance Programme (OBA)		12,894	32,965	46,505
Total Investments (D)		12,894	32,965	46,505
Recurrent Costs	12			
Consultancy and Administration		-	-	-
Total Payments (E)		12,894	32,965	46,505
Financing Charges During Implementation (F)	13	-	-	-
Total Project Cost (F= E + F)		12,894	32,965	46,505
Closing Balance (C- E)		495	389	495

¹ If cash balance are controlled by the entity, indicating cash balance, imprest account and SGIA balance separately² These will include external assistance received by Government for the project³ 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 Procedure⁴ Expenditure categories are based on the cost allocation table as per Loan / Grant Agreement
Notes 1 to 6 of the financial statements form an integral part of these financial statements

Note reference 4: Funds received from Government includes ADB share


 (N.G. Jagannath)
 General Manager - F & A
 KUIDFC




 (G.V. Acharya)
 Partner M.No: 009850
 G.V. Acharya & Co, FRN: 006020



Annexure-2

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Grant No : 0399 IND

STATEMENT OF EXPENDITURE BY CATEGORY AND FINANCIER
REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

In (INR) '000

Particulars	ADB ⁴			Co-Financier		Government		Total Expenditure
	Percentage of Financing ¹	Actual Expenditure		Actual Expenditure		Actual Expenditure		
		Amount ²	% ³	Amount ⁴	% ⁵	Amount ⁶	% ⁷	
		1	2	3	4	5	6	7
Investment costs ²								
Toilet Construction Through Output Based Assistance Programme (OBA)	100%	46,505	100%			0	0%	46,505
Total Cost ³		46,505	100%			0	0%	46,505
% of Total project Cost		37%				0%		37%
Total Project Cost for indicative as at 31.3.2020		1,24,416				-		1,24,416

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

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

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

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

Notes 1 to 6 of the financial statements form an integral part of these financial statements

Note : 1. Grant Agreement signed 30th December 2014 and project was effective from 07 May 2015

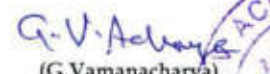
Note : INDICATIVE PROJECT COST AS AT 31.3.2020

Tranches	ADB	UFPF	GoK	Total
Tranche 1 - 0399 IND IN USD	-	1.80	-	1.80
Project cost in INR approximate @ 69.1198 / USD in INR '000	-	1,24,416	-	1,24,416

Note : ADB letters for exchange rate indicate RBI indicative rate @ 69.1198 / USD, the same is used for calculation indicative project cost


(N.G. Jagannath)
General Manager - F & A
KUIDFC




(G.V. Acharya)
Partner M.No: 009850
G.V. Acharya & Co, FRN: 000029S



Annexure-3

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Grant No : 0399 IND

REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

Statement of Disbursement (Expenditure Incurred)

Details of the disbursement by method are given below

In (INR) '000

Statement of Disbursement	Note	Current Year	Prior Year	Cumulative Project to Date
ADB Fund Claimed during the year				
Reimbursement (Expenditure) ³	6.1	12,894	32,965	46,505
submitted during the year		7,802	-	8,448
Claims in the subsequent period		5,093	-	5,093
Imprest Fund ³	6.2	-	-	-
Direct payment	6.3	-	-	-
Commitment Letter	6.4	-	-	-
Sub Total	(A)	12,894	32,965	46,505
Total Expenditure made during the year ¹	(B)	12,894	32,965	46,505
Add : Statutory remittances/deductions	(C)	-	-	-
Less : Borrower's share & Ineligible ²	(D)	-	-	-
Total Eligible Expenditure claimed (B + C - D = E = A)	(E)	12,894	32,965	46,505

RECONCILIATION OF ADB REIMBURSEMENT CUMULATIVE RECEIVED

in (INR) '000

AS per ADB LFIS		46,505		
AS per KUIDFC claims			cumulative	REMARKS
Current Year (2019-2020)		12,894	46,505	ADB Reimbursement includes subsequent period up to May'2020
Previous Year (2018-2019)		32,965	33,611	
Previous Year (2017-2018)		646	646	
TOTAL KUIDFC CLAIMS REIMBURSED		46,505		
ANY DIFFERENCE		-		



KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT

Grant No : 0399 IND

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March'2020

1. DETAILED PROJECT DESCRIPTION**Construction of Toilets under Output Based Aid (OBA) Programme**

Project-1 of the Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) (the Project) supports improvements in urban infrastructure and services in the following 4 ULBs: Byadagi, Davangere, Harihar and Ranebennur, and institutional development, improved municipal management and project implementation capacity across the State. The Project has the following components:

KUIDFC, as part of KIUWMIP entered into a Grant Agreement with Asian Development Bank (ADB) for \$ 1.8 million (approx. Rs. 11.7 Cr) towards financing Output Based Aid (OBA) for Toilet Construction in KIUWMIP ULB's. The approximate population to be covered by the OBA toilet programme is 47,579 (Original 5752 & Revised 5465 households are targeted for toilet coverage) across the 4 cities of Tranche-1 towns. The total sanctioned grant amount for construction of Individual House Hold toilets (IHHL) by ADB is Rs. 11.7 Cr, out of which Rs. 6.03 Cr has been utilized for construction of 5752 IHHL at a cost of Rs. 10500 per unit.

As per the direction of ADB the unspent grant amount of Rs. 5.67 Cr is proposed to utilize for construction of school toilets in project towns. Accordingly the proposal for construction of school toilets in 57 Schools/ Anganavadi/ High School/ College at the project cost of Rs. 4.91 Cr has been sent to ADB for approval. The same has been approved by ADB. The tender has been awarded and LOA has been issued to the contractor.

The OBA toilet program will be implemented by the ULBs with assistance from Public Communication and Awareness and Output Based Aid (OBA) Toilet Program Consultant (PCA-OBA Consultant) to be selected for KIUWMIP.



Technical support, including construction supervision to the ULBs will be provided by the project management, design and construction supervision consultant (PMDCSC). Further, the active participation of beneficiaries and ULB is crucial to the success of the program.

ULBs will provide grant subsidies to (i) low income (BPL) households for construction and Connection of individual household toilets to the sewer network; and (ii) BPL low income community groups for the construction and connection of community toilets (iii) The PCA-OBA Consultant will facilitate the process of timely release of subsidies from the ULB during construction of individual and community toilets and provide hands on support and guidance to beneficiaries during construction of toilets .

The PCA-OBA Consultant will be responsible for receiving, assessing and submitting beneficiary applications to the ULBs for final assessment and approval. The PCA-OBA Consultant will also monitor progress of construction and connection of toilets under the OBA program

Expected Output

The Karnataka Integrated Urban Water Management Investment Programme (KIUWMIP) with an aim to improve efficient urban water and sanitation investments. Also the consultant is to facilitate implementation of Output Based Aid (OBA) for construction and usage of various types of toilets and associated services, as follows:

Communicate improved water and sanitation services in the ULBs, Communicate 100% households and other water users, including other stakeholders towards 24x7 water supply. Conduct sanitation related awareness, Output Based aid (OBA) for Toilets targeting urban poor, and behavior change process to achieve open defecation free (ODF) communities across the ULBs. Communicate over the Gender inclusion elements and social/environmental safeguards.

Cost Estimates

The total cost of the Grant is estimated at US\$ 1.8million. The Government of India will onlend the proceeds of the Grant under the MFF to GoK on the same terms and conditions as per ADB Grants. The financing plan for the Investment Program and the first PFR are presented in Table

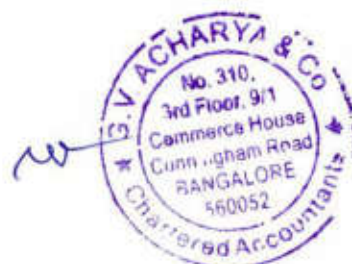


Table : Financing Plan of the Investment Program and First PFR

(\$ million)

Source	Investment Program (\$ Mn)	Share (%)	Tranch1 (\$ Mn)	Share (%)
ADB	150.0	66.1	75.0	63.8
UFPF	2.0	0.9	1.8	1.5
GoK and other agencies	75.0	33.0	40.2	34.7
Total	227.0	100.0	117.0	100.0

Source: Asian Development Bank estimates.

Programme Period

The project is expected to be completed by 31st March 2021. The Grant closing date is 31st March 2021.

2. Additional Notes:

- 2.1 There was no direct inflow of foreign currency during the year. However, during the year Govt. of India has received in respect of KIUWMI Project under Grant No. 0399- IND a sum of US\$ 460,647 (US\$ 10,078), from Asian Development Bank.

(Source: Asian Development Bank -Loan Financial Information Services (LFIS))

- 2.2 As on march 31, 2020, the company has no outstanding dues to units covered by micro, small and medium industries development act, 2006.
- 2.3 Advances under project including EAP are released as per contractual terms against BG and adjustments are made in the running bill/monthly bills for contractor/ consultants/ NGO's. Advances given to IAs are adjusted against utilization certificates furnished as per the funding agencies guidelines.



3. SIGNIFICANT ACCOUNTING POLICIES:

3.1 General :

- i. The Financial Statements are prepared under the historical cost convention on an accrual basis and in accordance with the mandatory accounting standards as prescribed under section 133 of Companies Act'2013 read with Rule 7 of the Companies (Accounts) Rules,2014 (to the extent notified).
- ii. All items of Income and expenditure having a material bearing on the Company's Financial Statements are recognized on accrual basis except as stated otherwise.
- iii. Use of Estimates: The preparation of financial statements in conformity with the Principles in India requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of Assets, Liabilities, Income, Expenses and disclosures of contingent liability on the date of financial statements. Actual results could defer from those estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognized prospectively in Current and future Period.

3.2 Treatment of grants :

- i. The Company receives project specific grants both under externally aided projects and centrally sponsored schemes. To the extent grants are utilised for acquisition of fixed assets, equivalent amount is transferred from project grant account to capital reserve.
- ii To the extent grants are utilised for release as loan to the Implementing Agencies, equivalent amount is transferred from Project grant account 'due to' respective scheme/project accounts. To the extent amounts are released as grant to the implementing agencies, the same is charged off against the grants received from the Government.

3.3 Revolving Funds:

- i. As per relevant Government Order, Mega City Revolving Fund (MCRF) under the centrally sponsored Mega City scheme and Urban Infrastructure Development Fund (UIDF) under Externally Aided Projects and Centrally Sponsored Schemes are maintained to which loan repayments by the Implementing Agencies, interest on loan component recovered from Implementing Agencies and earnings on deployment of unutilised project grants are credited on realisation basis.

3.4 Revenue Recognition:

- i. In accordance with GoK letter No. UDD 13 PRJ 06 dated 3.5.2006, in lieu of Management fee, the administrative expenses of the Company will be provided by the Government through the Budget.
- ii. Management Fee payable by GOK is recognized as income to the extent of administrative expenses of the respective financial year.

3.5 Fixed Assets :

- i. Fixed assets are stated at cost, less accumulated depreciation.
- ii. Consequent to capitalization of UIB building constructed under NKUSIP depreciation on the same is considered as per Accounting Standard -12 and useful life of the building restricted till the end of lease period. (As per note No.26)



- iii. The depreciation is charged on non project assets over the useful lives of assets at the rates and manner stipulated under schedule II of the Companies Act, 2013 on Written Down Value method, commencing from the date the asset is available in the company for its use.
- iv. Leasehold Land is Amortized over the lease period.
- v. Intangible Assets are amortized over their respective individual estimated useful lives on Written Down Value method, commencing from the date the asset is available in the company for its use.
- vi. No depreciation is charged on the assets acquired under projects as the same are acquired out of the grants received under the specific projects. Residual cost if any, after setting off the value realised on disposal of such assets on completion of the project, shall be set off against the specific project grant.

3.6 Impairment of Assets:

- i. Assets belonging to the Company (not project Assets) are treated as impaired when the carrying cost of such assets exceed their recoverable value. Impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

3.7 Investments :

- i. Investments are classified as long term investments and stated at cost. No provision is made for temporary decline/increase in value of Investments.

3.8 Taxation :

- i. The provision for Income Tax is calculated in accordance with the relevant tax regulations applicable to the Company.
- ii. Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax assets and liability are measured as per the tax rates/ laws that have been enacted or substantively enacted by the balance sheet date and are reviewed for appropriateness of their respective carrying values at each balance sheet date.

3.9 Retirement Benefits:

Provisions for/ Contributions to retirement benefits schemes are made as follows:

- i. Provident fund on actual liability basis.
- ii. Gratuity based on actuarial valuation through Group Gratuity Policy of LIC.
- iii. Leave Encashment benefits on actual liability basis.

Place : Bangalore

Date : December 23, 2020


(N.G. Jagannath)
General Manager – F & A



As per our report of even date
for G.V Acharya & Co.,
Chartered Accountants
FRN: 000029S


(G. Vamanacharya)
Partner M.No: 009850



Annexure-5

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Grant No : 0399 IND

4. Funds Received from the Government

Give details of the government budgeting and funding mechanism

In (INR) '000

Particulars	Current Year	Prior year	Cumulative Year to date
Government counterpart funding Amount Reimbursable to Government	13,000	33,000	47,000
Government of Karnataka has provided budgetary allocation and released the project funds to KUIDFC			
Total	13,000	33,000	47,000

5. DATE OF AUTHORIZATION

Government of Karnataka has authorised the Budget releases through Government Orders on the dates indicated

Particulars	Current Year	Prior year
Government approved above funds through Government order dates as detailed in the respective years	23-May-19	6-Apr-18
	4-Oct-19	29-Aug-18
	28-Dec-19	30-Oct-18
	21-Mar-20	16-Jan-19
		25-Mar-19



Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - Project 1
Grant No- 0399 IND

Date of Grant Agreement : 30 December 2014
Date of Grant Effectiveness : 07 May 2015
Date of Physical Closure : 31 March 2020
Date of Financial Closure : 31 March 2021

KEY TERMS & CONDITIONS FOR DISBURSEMENT

Section 2.01.

ADB agrees to lend to the Borrower the terms and conditions set forth in this grant agreement, ADB agrees to make available to the recipient on a grant basis and administer, the grant provided by UFPF in the amount equivalent to One million eight hundred thousand Dollars (\$1,800,000),

Section 2.02.

Not with standing any other provision of this grant agreement, ADB is not obliged to make any disbursement from the Grant account, except to the extent that ADB has received the Grant from UFPF.

Disbursement Procedures

Except as ADB may otherwise agree, the Grant proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.



Annexure-6

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Grant No : 0399 IND

REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

6. Funds Received from ADB

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

In (INR) '000

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 Method	6.1	12,894	32,965	46,505
Reimbursement during the year		7,802	-	7,802
Reimbursement in the subsequent period		5,093	-	5,093
- By Imprest Account ¹	6.2			
- By Direct Payment	6.3			
- By Commitment Procedure	6.4			
ADB Loan Total		-	-	-
ADB Grant		12,894	32,965	46,505
ADB loan and Grant Total		12,894	32,965	46,505

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

Note: 7,802 reimbursed up to 31.03.2020 and 5,093 Reimbursed during F.Y 2020-21, pertains to expenditure of March'2020

6.1 Funds Received from ADB through Reimbursement Method

DISBURSEMENT CLAIMS (REIMB & SOE) PROCEDURE SUBMITTED TO ADB DURING 2019-2020

REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020 - 2019 - 2020

Application No.	W/App. No.	SOE sheet No	Category Code	Total amount paid Eligible Amount	ADB Financing %	Net Eligible Expenses	Amount Reimbursed	Imprest Fund Replenished / Liquidated	Total Disbursement Using SOE Procedure	Disbursement Procedure
1	2	3	4	5	6=4x5	7	8	9=7+8		
DISBURSEMENT CLAIMS of FY 2019-2020 SUBMITTED BEFORE 31ST MARCH 2020										
GR-0008	WA 008		3201	7,802	100%	7,802	7,802		7,802	Documented
Total claim up to 31st March 2020				7,802		7,802	7,802	-	7,802	
DISBURSEMENT CLAIMS of FY 2019-2020 SUBMITTED AFTER 31ST MARCH 2020										
GR-0009	WA 009		3201	5,093	100%	5,093	5,093		5,093	Documented
Total claim after 31st March 2020				5,093		5,093	5,093		5,093	
GRAND TOTAL CLAIM FOR 2019-2020				12,894		12,894	12,894		12,894	

DISBURSEMENT CLAIMS (REIMB & SOE) PROCEDURE SUBMITTED TO ADB DURING 2018-2019

REPORT FOR THE YEAR / PERIOD ENDED 31st March 2019 - 2018 - 2019

Application No.	W/App. No.	SOE sheet No	Category	Total amount paid Eligible Amount	ADB Financing %	Net Eligible Expenses	Amount Reimbursed	Imprest Fund Replenished / Liquidated	Total Disbursement Using SOE Procedure	Disbursement Procedure
1	2	3	4	5	6=4x5	7	8	9=7+8		
DISBURSEMENT CLAIMS of FY 2018-2019 SUBMITTED BEFORE 31ST MARCH 2019										
GR-0003	WA 003		3201	1,060	100%	1,060	1,060		1,060	Documented
GR-0004	WA 004		3201	6,525	100%	6,525	6,525		6,525	Documented
GR-0005	WA 005		3201	10,815	100%	10,815	10,815		10,815	Documented
GR-0006	WA 006		3201	11,319	100%	11,319	11,319		11,319	Documented
GR-0007	WA 007		3201	3,245	100%	3,245	3,245		3,245	Documented
GRAND TOTAL CLAIM FOR 2018-2019				32,965		32,965	32,965	-	32,965	



Annexure-7

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Grant No : 0399 IND

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

STATEMENT OF IMPREST ACCOUNT
REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

		In (INR) '000
Balance brought forward from previous period	Prior Year	Current Year
Add:		
Advance		
Replenishment received during the year/period		
Interest Earned		
Subtotal (A)	Imprest Account Not Availed	
Deduct :		
Repayments made during the year / period		
Replenishment/Liquidation		
Expenditure yet to be claimed		
Amount refunded during the year/period		
Closing Balance (B)		
As per Bank Statement (Copy attached)	Imprest Account Not Availed	

- 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)

Not Applicable since Imprest Account Not Availed

6.3 Details of Payments made directly by ADB are given below

Not Applicable since no direct payments by ADB under the project

6.4 Details of payments made through commitment procedure

Not Applicable since no commitment procedure used

6.5 Details of Grants

Grants is given by ADB under Urban Financing Partnership Facility (UFPF) for \$1,800,000 & the Grant No. 0399-IND.



Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Grant No : 0399 IND

NOTES TO THE FINANCIAL STATEMENTS
REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

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

DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

In (INR) '000

Application No.	W/Appl. No.	SOE sheet No	Category	Total amount paid Eligible Amount	ADB Financing % ¹	Net Eligible Expenses	Amount Reimbursed	Imprest Fund Replenished / Liquidated	Total Disbursement Using SOE Procedure	Disbursement Procedure
1	2	3	4	5	6=4x5	7	8	9= 7+8		
NO CLAIMS UNDER SOE										
Total claim up to 31st March 2020										
				-		-	-		-	

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

DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE
REPORT FOR THE YEAR / PERIOD ENDED 31st March 2019

In (INR) '000

Application No.	W/Appl. No.	SOE sheet No	Category	Total amount paid Eligible Amount	ADB Financing % ¹	Net Eligible Expenses	Amount Reimbursed	Imprest Fund Replenished / Liquidated	Total Disbursement Using SOE Procedure	Disbursement Procedure
1	2	3	4	5	6=4x5	7	8	9= 7+8		
NO CLAIMS UNDER SOE										
Total claim up to 31st March 2019										

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

Annexure-9

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Grant No : 0399 IND

NOTES TO THE FINANCIAL STATEMENTS

REPORT FOR THE YEAR / PERIOD ENDED 31st March 2020

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

In (INR) '000

Particulars	Current Year	Prior year	Cumulative Year to date
A. Toilet Construction Throgh Output Based Assistance Programme (OBA)			
Byadagi	0	4,512	4,599
Ranebennur	1,228	2,486	4,274
Davanagere	10,658	24,003	34,661
Harihara	1,008	1,964	2,972
Total Expenditure	12,894	32,965	46,505



Annexure-10

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Grant No : 0399 IND

STATEMENT OF APPROPRIATION VS ACTUAL

In (INR) '000

Cost Categories	For the Current Year Ended 2020				For the Current Year Ended 2019				Cumulative from [beginning of Project] to year to date			
	Budgeted Expenditure	Actual Expenditure	Utilisation Percentage	Variance	Budgeted Expenditure	Actual Expenditure	Utilisation Percentage	Variance	Budgeted Expenditure	Actual Expenditure	Utilisation Percentage	Variance
	In (INR) '000	In (INR) '000	%	In (INR) '000	In (INR) '000	In (INR) '000	%	In (INR) '000	In (INR) '000	In (INR) '000	%	In (INR) '000
I) Expenditures by Component												
Toilet Construction Through Output Based Assistance Programme (OBA)	12,894	12,894	100%	-	32,965	32,965	0%	-	46,505	46,505	100%	-
Total	12,894	12,894	100%	-	32,965	32,965	100%	-	46,505	46,505	100%	-
Financing Charges During Implementation	-	-		-	-			-	-	-	0%	-
Total Project Cost	12,894	12,894	100%	-	32,965	32,965	0%	-	46,505	46,505	100%	-
Project cost in INR approximate @ 69.1198 / USD in INR '000		186.55				452.79				639.34		



Annexure-11

Name of EA : KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of IA : Respective ULBs / KUIDFC

Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) - PROJECT 1

Grant No : 0399 IND

EXPENDITURE BY OUTPUT COMPONENTS

In (INR) '000

Cost Categories	Unallocable common costs			Output1			Output 2			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
I) Expenditures by Component for Tranche 1												
Works	32,965	12,894	46,505	32,965	12,894	46,505				32,965	12,894	46,505
Total	32,965	12,894	46,505	32,965	12,894	46,505				32,965	12,894	46,505
Financing Charges During Implementation	-	-	-	-	-	-				-	-	-
Total Project Cost	32,965	12,894	46,505	32,965	12,894	46,505				32,965	12,894	46,505
% OF Total project Cost		37%										



PARTICULARS	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		Rs	Rs
I. EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital		-	-
Reserves & Surplus		-	-
Non-Current Liabilities			
Other Long Term Liabilities		-	-
Long Term Provisions		-	-
Current Liabilities			
Short Term Borrowings		-	-
Other Current Liabilities	1	4,95,500	3,89,500
Short Term Provisions		-	-
TOTAL OF EQUITY & LIABILITIES		4,95,500	3,89,500
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets		-	-
Intangible Assets		-	-
Deferred Tax Assets (Net)		-	-
Long-Term Loans and Advances		-	-
Current Assets			
Cash and Bank Balances	2	4,95,500	3,89,500.00
Short-Term Loans and Advances		-	-
Other Current Assets		-	-
TOTAL OF ASSETS		4,95,500	3,89,500
Notes on Financial Statements	3	-	-

Notes referred above are an integral part of Financial Statements

Place: Bangalore

Date : 23rd December'2020


 (N.G. Jagannath)
 Gen. Manager - Finance





As per our report of even date

for G.V Acharya & Co.

Chartered Accountants

FRN: 000029S


 (G. Vamanacharya)
 Partner M. No:009860



ADB assisted KIUWMI Project Grant No.0399-IND - Notes on Financial Statements for the year ended 31st March 2020

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	Rs	Rs
1. Other Current Liabilities		
Government of Karnataka A/c (KIUWMI Project)	4,95,500	3,89,500
TOTAL	4,95,500	3,89,500
2. Cash and Bank/Treasury Balances		
Vijaya Bank-Indiranagar- KIUWMIP	4,95,500	3,89,500
TOTAL	4,95,500	3,89,500

