

## Audited Project Financial Statements

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Project Number: 43253-027  
Loan/Grant Number: 3726  
Period covered: 01 April 2020 to 31 March 2021

INDIA: Karnataka Integrated Urban Water Management Investment Program - Tranche 2

Prepared by Karnataka Urban Infrastructure Development and Finance Corporation Limited

For the Asian Development Bank  
Date received by ADB: 17 February 2022

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.



No. KUIDFC/FIN/ADB/AUD-APA/2020-21/

February 16, 2022

**Mr. Takeo Konishi,**  
Country Director,  
Asian Development Bank,  
India Resident Mission,  
P.O.Box-5331,4, San Martin Marg,  
Chanakyapuri,  
New Delhi – 110 021

Sir,

**Sub: ADB assisted KIUWMIP Project – Loan No.-3726 IND – Project 2-  
Submission of audited Annual Financial Statement (AFA) and Audited  
Project Financial statement (APFS) - FY 2020-2021– Reg.**

\* \* \*

With reference to the subject cited above, as per the project agreement requirement, we are forwarding herewith audited Annual Financial Statement (AFS) for FY 2020-2021 and Audited Project Accounts (APA), Certificate of verification audit dated 15.02.2022, under KIUWMIP Loan No.3726-IND, Project-2, for the FY 2020-2021, issued by M/s. P. N. R. & Co., Chartered Accountants, Bangalore for your information and records.

Thanking you,

Yours faithfully,

**General Manager – Finance**

**Encl : As above**

**Copy to :**

1. Joint Secretary (MI), DEA, Ministry of Finance, North Block, New Delhi.
2. Controller of Aid Accounts & Audit, Ministry of Finance (DEA), 5<sup>th</sup> Floor, 'B' Wing, Janpath Bhavan, Janpath, New Delhi – 110 001.
3. Additional Secretary to Gok, (FR), Finance Dept, 1<sup>st</sup> Floor, 3<sup>rd</sup> Stage, M.S Building, Bangalore



**P.N.R. & Co.,**  
Chartered Accountants

No. 117/3, Fortune Square  
Flat No. T-301 and T-302  
S.C. Road, Seshadripuram  
BENGALURU - 560 020  
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pnrcoekar@dataone.in  
Web : www.pnrco.net

**Independent Auditor's Report**

To,

The Managing Director,  
Karnataka Urban Infrastructure Development & Finance Corporation Limited,  
Nagarabhivruddi Bhavana,  
#22, 17<sup>th</sup> 'F' cross, Old Madras Road,  
Indiranagar 2<sup>nd</sup> Stage,  
Bangalore- 560 038

**Report on the Project Financial Statements**

We have audited the accompanying Project Financial Statements (PFS) of the **Karnataka Integrated Urban Water Management Investment Programme (KIUWMIP) – Project 2** financed under Asian Development Bank Loan No. 3726-IND, 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 31st March 2021.

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 and Standards on Auditing issued by the Institute of Chartered Accountants 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 31st March 2021 in accordance with Government of India accounting standards.

In addition, in our opinion:

- a) Proceeds of the loan from ADB have been utilized for the purposes as per ADB Loan Agreement.
- b) Financial Covenants in the ADB loan agreement no. 3726-IND dated 27<sup>th</sup> November 2018 have been complied with.
- c) (i) Expenditures shown in the PFS are eligible for financing under the Project Financing Agreements.

(ii) There was no imprest account during the year ended 31<sup>st</sup> March 2021.

Date: 15.02.2022

Place : Bangalore

for **P N R & Co.,**  
Chartered Accountants  
Firm Registration No : 0024955

(P N Rajashekar)  
Partner

Membership No: 22647

UDIN: 22022647ACHGCR7721





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 2

Loan No. : 3726 IND

**STATEMENT OF RECEIPTS AND PAYMENTS**  
**REPORT FOR THE YEAR / PERIOD ENDED 31st March 2021**

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 <sup>1</sup> (A)		2,85,898	2,85,208	-
Receipts				
Funds received from Government <sup>2</sup>	4	15,73,597	4,21,306	22,12,613
ADB Loan <sup>3</sup>	6.1	7,93,213	8,78,694	21,54,197
ADB Grant <sup>3</sup>				-
Co - financier 1				-
Co - financier 2				-
Beneficiary Contribution (if any)		7,500	(74,430)	1,59,208
Other receipts such as interest income, sale from disposals of fixed assets etc.		(83,852)	-	(83,852)
<b>Total Receipts (B)</b>		<b>22,90,458</b>	<b>12,25,570</b>	<b>44,42,166</b>
<b>Total (C = A + B)</b>		<b>25,76,356</b>	<b>15,10,778</b>	<b>44,42,166</b>
Payments				
Investment costs <sup>4</sup>				
Civil Works		9,18,493	10,71,423	25,77,510
Equipments			-	-
other cost - Land Acquisition		31,133	13,683	56,231
<b>Total Investments (D)</b>		<b>9,49,626</b>	<b>10,85,106</b>	<b>26,33,741</b>
Recurrent Costs				
Consultancy and Administration		45,360	1,39,774	2,27,056
<b>Total Payments (E)</b>		<b>9,94,986</b>	<b>12,24,880</b>	<b>28,60,797</b>
Financing Charges During Implementation (F)	3.11	-		1,706
<b>Total Project Cost (F= E + F)</b>		<b>9,94,986</b>	<b>12,24,880</b>	<b>28,62,503</b>
<b>Closing Balance (C- E)</b>		<b>15,81,369</b>	<b>2,85,898</b>	<b>15,81,369</b>

<sup>1</sup> This includes beneficiary contribution as well as fund from Government of Karnataka<sup>2</sup> This is amount received from Government for the project under budgetary allocation<sup>3</sup> This is amount reimbursed by ADB to Government<sup>4</sup> 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

For and on behalf of KUIDFCL

*Harisha A*  
 (Harisha. A)  
 General Manager - Finance

As per our report of even date  
 for P. N. R. & Co.,  
 Chartered Accountants  
 FRN: 002495S

(P N Rajashekar)  
 Partner M.No: 22647  
 15.02.2022



## 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 2

Loan No : 3726 IND

STATEMENT OF EXPENDITURE BY CATEGORY AND FINANCIER  
REPORT FOR THE YEAR ENDED 31st March 2021

In (INR) '000

Particulars	ADB <sup>4</sup>			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	8
Investment costs <sup>2</sup>								
Civil Works	82%	7,93,213	86%			1,25,280	14%	9,18,493
Equipments	89%	-	-			-	-	-
Sub Total (A)		7,93,213		-		1,25,280		9,18,493
other cost - Land Acquisition	0%	-	0%			31,133	100%	31,133
Consultancy and Administration	0%	-	0%			45,360	100%	45,360
Sub Total (B)		-		-		76,493		76,493
Total Cost (C=A+B) <sup>3</sup>		7,93,213		-		2,01,773		9,94,986
% OF Total project Cost		80%				20%		100%
Total Project Cost for 01.04.2019 to 31.3.2020		8,78,694				3,46,186		12,24,880

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

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

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

<sup>4</sup> 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

For and on behalf of KUIDFCL

(Harisha. A)  
General Manager - Finance

As per our report of even date  
for P. N. R. & Co.,  
Chartered Accountants  
FRN: 002495S

(P N Rajashekar)  
Partner M.No: 22647

15.02.2022





## 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 (KIUWMP) - PROJECT 2

Loan No : 3726 IND

## REPORT FOR THE YEAR / PERIOD ENDED 31st March 2021

## 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) <sup>3</sup>	6.1 & 6.7	6,27,556	8,10,042	21,54,197
Imprest Fund <sup>3</sup>	6.2	-	-	-
Direct payment	6.3	-	-	-
Commitment Letter	6.4	-	-	-
<b>Sub Total</b>	(A)	<b>6,27,556</b>	<b>8,10,042</b>	<b>21,54,197</b>
<b>Total Expenditure made during the year <sup>1</sup></b>	(B)	<b>9,94,986</b>	<b>12,24,880</b>	<b>28,60,797</b>
Less : Expenditure not yet claimed	(C)	1,65,657	68,652	-
Less : Borrower's share & Ineligible <sup>2</sup>	(D)	2,01,773	3,46,186	7,06,600
<b>Total Eligible Expenditure claimed ( B - C - D = E = A )</b>	(E)	<b>6,27,556</b>	<b>8,10,042</b>	<b>21,54,197</b>

<sup>1</sup> The total expenditure as per Statement of Receipts and Payments.<sup>2</sup> This should tally with the Government share included in Statement of Expenditure by category and financier (Column 6)<sup>3</sup> 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

For and on behalf of KUIDFCL

(Harisha. A)

General Manager - Finance

As per our report of even date  
for P. N. R. & Co.,

Chartered Accountants

FRN: 002495S

(P N Rajashekar)

Partner M.No: 22647

15.02.2022



**KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED**  
**Name of the project : Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) -**  
**PROJECT - Loan No : 3726 IND**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> March 2021**

**1. PROJECT NATURE AND ACTIVITIES**

1.1. Project-2 of the Karnataka Integrated Urban Water Management Investment Program (KIUWMIP) (the Project) supports improvements in urban infrastructure and services in the following 4 ULBs: Mangaluru, Puttur, Udupi, Kundapur and institutional development, improved municipal management and project implementation capacity across the State. The Project has the following components:

**Output A: Water Supply Infrastructure**

This output comprises rehabilitation and expansion of potable water supply systems in the 4 ULBs: Mangaluru, Puttur, Udupi, Kundapur. The following will be the specific outputs under this component:

- (i) 24X7 water supply to Kundapura city (8 years O&M) – 56.68 km Pipe line, HSC-6450(new HSC-2250), OHT-2 No.
- (ii) 24X7 water supply to Udupi city Distribution (8 years O&M) – 296 km Pipe line, HSC-36452(new HSC-17715).
- (iii) 24X7 water supply to Puttur city (8 years O&M) – 169.95 km Pipe line, New HSC-4910 Nos, Replacement of water meters-9226 Nos, OHT-6No, GLSR-1No, WTP-8.7 MLD
- (iv) 24X7 water supply to Mangalore city Distribution (8 years O&M)– 81.7 MLD Filter house, 160 MLD Back wash treatment plant, Pipe line-1453.21 km ,OHT-19 Nos, GLSR-3Nos, HSC-96300 Nos

**Output B: Sanitation Infrastructure**

This output comprises Replacement of sewerage pumping systems in the Mangaluru City (ULB).

The following will be the specific output under this component:

- (i) Replacement of old sewerage pumping main for Mangalore city– 11.04 km pipe line, Road Restoration-6.80 km.

**Output C: Improved water resource planning, monitoring and service delivery**

This component will finance in Tranche 2:

- (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 4 Project-2 Towns;
- (iii) PSP approaches in water and sewerage service delivery.
- (iv) The preparation of the public communication and awareness program and materials.

**Output D: 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-2;
- (iii) Training programs for developing administrative and water management capacity at ULB level in 4 Project- 2 towns.

**1.2 Legislative Framework:** Project Monitoring Unit, Karnataka Urban Infrastructure Urban Development and Finance Corporation is established under the administrative control of Urban Development Department, Government of Karnataka.

**2. STATEMENT OF COMPLIANCE:**

These financial statements have been prepared in accordance with the approved accounting standard as applicable in India. This refers to the cash basis of the 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 Financer, the Statement of Disbursement and related notes and appendices to the financial statements.

**3.2 Basis of Measurements:**

The financial Statements have been prepared under the historical cost convention and on cash basis of accounting.

**3.3 Changes in Accounting Policies:**

During the period of Annual Financial Statements, there are no changes in accounting policies.

**3.4 Fund Flow Mechanism:**

PMU, KUIDFC gets the grants from Govt. of Karnataka through the Annual Budgetary support for the project and funds will be released to KUIDFC from Treasury, Govt. of Karnataka. The total project cost is partially funded by GOK and ADB Loan. ADB loan proceeds are disbursed in accordance with ADB's loan disbursement procedure.





**3.5 Advances and Other receivables:**

The Advance paid to Civil Contractors are treated as project expenditure and recoveries are effected through interim payment of the bills. ADB disburse the loan on reimbursement procedure on such advances as eligible expenditure.

**3.6 Cash & Cash Equivalents:**

Cash & Cash Equivalents comprises of cash on hand if any and bank balance.

**3.7 Accrued and other liabilities:**

Since the projects accounts are maintained on cash basis of accounting, no provision has been made for accrual and liabilities.

**3.8 Income:**

The income generated out of unutilized grant received from Government of Karnataka is accounted in the financial statements and adjusted against expenditure incurred during the year.

**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. The project is not maintaining any foreign currency bank balances.

**3.10 Allocation of common costs**

Common costs are allocated/accounted to the respective component and sub component of the project.

**3.11 Interest expenses and financial charges:**

As per Facility Administrative Manual(FAM), financing charges comprise interest during construction (IDC) and Commitment charges payable to ADB. Estimated amount of \$ 6.04 million has been allocated towards financing charges to be financed completely by the Borrower.

The borrower shall pay the commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the loan (less amount withdrawn from time to time), commencing 60 days after the date of the loan agreement.

The borrower shall pay the interest of the principal amount of the loan withdrawn and outstanding from time to time at a rate for each interest period equal to 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.



#### Annexure 4

However in order to maintain uniformity, in most of the annexures, interest and commitment charges incurred during the Current and previous year has not been reported in the APFS due to non availability of data from website: [aaad.gov.in](http://aaad.gov.in).

#### 4. FUNDS RECEIVED FROM THE GOVERNMENT

In (INR)'000

Particulars	Current Year	Previous Year	Cumulative Year to date
Government counterpart funding	15,73,597	4,21,306	22,12,613
Amount reimbursable to Government	7,93,213	8,78,694	21,54,197
<b>Total</b>	<b>23,66,810</b>	<b>13,00,000</b>	<b>43,66,810</b>

#### 5. DATE OF AUTHORIZATION

This financial statements have been authorized for issue by the General Manager (Finance) of KUIDFC on 15.02.2022





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 2

Loan No : 3726 IND

## REPORT FOR THE YEAR / PERIOD ENDED 31st March 2021

## 6. Funds Received from ADB

Date of loan Agreement	27th November 2018
Date of loan effectiveness	11th February 2019
Date of Physical Closure	15th September 2023
Date of Financial Closure	15th March 2024

Cat Ref.	ITEM	Original Allocation as per loan agreement (US \$ )	Revised Allocation as per LFIS (US \$ )
1	Works	6,87,05,000	-
2	Unallocated	62,95,000	
	<b>Total</b>	<b>7,50,00,000</b>	<b>-</b>

**Key Terms & Conditions: interest, Commitment charges & 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 the interest of the principal amount of the loan withdrawn and outstanding from time to time at a rate for each interest period equal to 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

**Section 2.03** The borrower shall pay the commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the loan (less amount withdrawn from time to time), commencing 60 days after the date of the loan agreement

**Section 2.04** Interest and other charges on the Loan shall be payable semiannually on 15 April and 15 October in each year.

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

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	7,93,213	8,78,694	21,54,197
- By Imprest Account <sup>1</sup>	6.2			
-By Direct Payment	6.3			
- By Commitment Procedure	6.4			
ADB Loan Total		7,93,213	8,78,694	21,54,197
ADB Grant		-	-	-
ADB loan and Grant Total		7,93,213	8,78,694	21,54,197

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

## 6.1 Funds Received from ADB through Reimbursement Method

The statement for reimbursement of eligible expenditure from ADB to support the numbers, a detailed note alongwith WA wise summaries is mentioned in Annexure-5A



## Annexure-5A

## KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED

Name of the project : Karnataka Integrated Urban Water Management Investment Program  
(KIUWMIP) - PROJECT - Loan No : 3726 IND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> March'2021

## 6.1 Funds Received from ADB through Reimbursement Method

Actual ADB reimbursement received for the year from 01.04.2020 to 31.03.2021 based on ADB value date is INR 69,62,07,413/-. This includes the previous period claim of INR 6,86,51,723/-. Since this amount of INR 6,86,51,723/- had been already reported/included in the previous Audited APFS for the period from 01.04.2019 to 31.03.2020 under the nomenclature "Yet to be claimed". This amount is not shown/reported in current year (01.04.2020 to 31.03.2021) column which otherwise would result in duplication.

ADB Loan/reimbursement received for the years shown in Annexure-1- "Statement of Receipts of payments" has been arrived as follows:

In INR			
Description	During the Current Year	During the Previous Year	Cumulative project to Date
Actual ADB reimbursement received for the year based on ADB value date	69,62,07,413	85,65,12,700	215,41,96,266
Less: Previous period claim	6,86,51,723	4,64,70,395	-
<b>Sub Total</b>	<b>62,75,55,690</b>	<b>81,00,42,305</b>	<b>215,41,96,266</b>
Add : Yet to be claimed/ Expenditure not yet claimed for the year	16,56,57,025	6,86,51,723	-
<b>Total</b>	<b>79,32,12,715</b>	<b>87,86,94,028</b>	<b>215,41,96,266</b>

Withdrawal Applications (WA) wise break up of reimbursement details are shown in the below tables:

**A. Loan funds received from ADB through reimbursement procedure for the period from 01.04.2020 to 31.03.2021**

In (INR), 000					
WA No.	Category	Net Eligible Expenditure	ADB Financing in %	Amount Reimbursed by ADB	Disbursement procedure
WA-15	1	1,45,299	82%	1,19,145	Documented
WA-16	1	27,101	82%	22,223	Documented
WA-17	1	46,127	82%	37,824	Documented
WA-18	1	83,109	82%	68,150	Documented
WA-19	1	1,59,047	82%	1,30,418	Documented
WA-20	1	1,41,770	82%	1,16,252	Documented
WA-21	1	99,733	82%	81,781	Documented
WA-22	1	63,126	82%	51,763	Documented
WA-23	1	2,02,020	82%	165,657	Documented
<b>Total</b>		<b>9,67,327</b>		<b>7,93,213</b>	



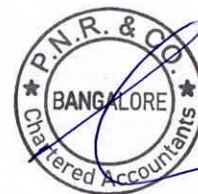


**Annexure-5A****KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED****Name of the project : Karnataka Integrated Urban Water Management Investment Program****(KIUWMIP) - PROJECT - Loan No : 3726 IND****B. Loan funds received from ADB through reimbursement procedure for the previous period claim****In (INR), 000**

<b>WA No.</b>	<b>Category</b>	<b>Net Eligible Expenditure</b>	<b>ADB Financing in %</b>	<b>Amount Reimbursed by ADB</b>	<b>Disbursement procedure</b>
WA-14	1	83,722	82%	68,652	Documented
<b>Total</b>		<b>83,722</b>		<b>68,652</b>	

**C. Expenditure not yet claimed****In (INR), 000**

<b>WA No.</b>	<b>Category</b>	<b>Net Eligible Expenditure</b>	<b>ADB Financing in %</b>	<b>Amount Reimbursed by ADB</b>	<b>Disbursement procedure</b>
WA-23	1	2,02,020	82%	165,657	Documented
<b>Total</b>		<b>2,02,020</b>		<b>165,657</b>	



## 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 2

Loan No : 3726 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 2021

		In (INR) '000	
Balance brought forward from previous period	Prior Year	Current Year	
Add:		Imprest Account Not Availed	
Advance			
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)			
As per Bank Statement	Imprest Account Not Availed		

The US \$ equivalent notational amount held at the RBI in respect of the above imprest Account balance is -

6.2.1 - US &amp; (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

No grant given





## 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 2

Loan No : 3726 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 2021

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 2021										
				-		-	-		-	

<sup>1</sup> 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 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										
				-		-	-		-	

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

**KARNATAKA URBAN INFRASTRUCTURE DEVELOPMENT AND FINANCE CORPORATION LIMITED**  
**Name of the project : Karnataka Integrated Urban Water Management Investment Program**  
**(KIUWMIP) - PROJECT - Loan No : 3726 IND**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> March'2021**

**6.7 Details of Disbursement claimed from ADB through Reimbursement Method are given below**

**Disbursement claimed from ADB through Reimbursement Method for the period from 01.04.2020 to 31.03.2021**

Actual ADB fund claimed during the period 01.04.2020 to 31.03.2021 is INR 69,62,07,413/-. This includes previous period claim of INR 6,86,51,723/-. Since this amount had been already reported/included in the previous Audited APFS for the period from 01.04.2019 to 31.03.2020 under the nomenclature "yet to be claimed" this amount is not shown neither in the current period column nor in the previous period column but shown only in cumulative column which otherwise would result in duplication.

ADB fund claimed during the periods shown in Annexure-3 – "Statement of Disbursement" has been arrived as follows:

Description	In INR		
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020	Cumulative
Actual ADB Fund claimed during the year	69,62,07,413	85,65,12,700	215,41,96,266
Less: Previous period claim	6,86,51,723	4,64,70,395	
<b>Sub Total</b>	<b>62,75,55,690</b>	<b>81,00,42,305</b>	<b>215,41,96,266</b>
<b>In (INR) '000</b>	<b>6,27,555.690</b>	<b>8,10,042.305</b>	<b>21,54,196.266</b>

Place : Bangalore

Date : February 15, 2022

  
 (HARISHA A)

General Manager – Finance

As per our report of even date  
 for P. N. R. & Co.,  
 Chartered Accountants  
 FRN: 002495S

  
 (P N Rajashekar)  
 Partner M.No: 22647





## 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 2  
 Loan No : 3726 IND

## STATEMENT OF APPROPRIATION VS ACTUAL

In (INR) '000

Cost Categories	For the Current Year Ended 2021				For the Year Ended 2020				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	19,36,000	9,18,493	47%	10,17,507	16,41,600	10,71,423	65%	5,70,177	42,16,289	25,77,510	61%	16,38,779
Equipments	-	-	-	-	-	-	-	-	-	-	0%	-
Consultancy & Admin exp incld advances	45,360	45,360	100%	-	1,39,774	1,39,774	100%	-	2,27,056	2,27,056	100%	-
<b>Total</b>	<b>19,81,360</b>	<b>9,63,853</b>	<b>49%</b>	<b>10,17,507</b>	<b>17,81,374</b>	<b>12,11,197</b>	<b>68%</b>	<b>5,70,177</b>	<b>44,43,345</b>	<b>28,04,566</b>	<b>63%</b>	<b>16,38,779</b>
II) Land Acquisition	31,133	31,133	100%	-	13,683	13,683	100%	-	56,231	56,231	100%	-
<b>Total Expenditure - ( I + II )</b>	<b>20,12,493</b>	<b>9,94,986</b>	<b>49%</b>	<b>10,17,507</b>	<b>17,95,057</b>	<b>12,24,880</b>	<b>68%</b>	<b>5,70,177</b>	<b>44,99,576</b>	<b>28,60,797</b>	<b>64%</b>	<b>16,38,779</b>
Financing Charges During Implementation	-	-	-	-	-	-	-	-	-	-	0%	-
<b>Total Project Cost</b>	<b>20,12,493</b>	<b>9,94,986</b>	<b>49%</b>	<b>10,17,507</b>	<b>17,95,057</b>	<b>12,24,880</b>	<b>68%</b>	<b>5,70,177</b>	<b>44,99,576</b>	<b>28,60,797</b>	<b>64%</b>	<b>16,38,779</b>
<b>Grand Total of Expenditure in USD @ 75.8276</b>		<b>13,121.69</b>				<b>16,153.49</b>				<b>38,102.16</b>		



## 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 2

Loan No : 3726 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	1,92,729	1,25,280	4,23,313	10,71,423	9,18,493	25,77,510	-	-	-	1,92,729	1,25,280	4,23,313
Equipments	-	-	-	-	-	-	-	-	-	-	-	-
Consultancy & Admin exp incld advances	1,39,774	45,360	2,27,056	1,39,774	45,360	2,27,056	-	-	-	1,39,774	45,360	2,27,056
<b>Total</b>	<b>3,32,503</b>	<b>1,70,640</b>	<b>6,50,369</b>	<b>12,11,197</b>	<b>9,63,853</b>	<b>28,04,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,32,503</b>	<b>1,70,640</b>	<b>6,50,369</b>
II) Land Acquisition	13,683	31,133	56,231	13,683	31,133	56,231	-	-	-	13,683	31,133	56,231
<b>Total Expenditure - ( I + II )</b>	<b>3,46,186</b>	<b>2,01,773</b>	<b>7,06,600</b>	<b>12,24,880</b>	<b>9,94,986</b>	<b>28,60,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,46,186</b>	<b>2,01,773</b>	<b>7,06,600</b>
Financing Charges During Implementation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Project Cost</b>	<b>3,46,186</b>	<b>2,01,773</b>	<b>7,06,600</b>	<b>12,24,880</b>	<b>9,94,986</b>	<b>28,60,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,46,186</b>	<b>2,01,773</b>	<b>7,06,600</b>
% OF Total project Cost		80%										







**P.N.R. & Co.,**  
Chartered Accountants

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S.C. Road, Seshadripuram  
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pnrcoekar@dataone.in  
Web : www.pnrco.net

To,  
The Managing Director,  
Karnataka Urban Infrastructure Development &  
Finance Corporation Ltd  
Nagarabhivruddhi Bhavan,  
No 22, 17<sup>th</sup> F Cross, Old Madras Road,  
Indiranagar, 2<sup>nd</sup> Stage,  
Bangalore – 560 038

Dear Sir,

**Sub : Audit of Project Financial Statements of the Karnataka Integrated Urban Water Management Investment Programme (KIUWMIP) – Project 2 financed under Asian Development Bank Loan No. 3726-IND for the year ended 31.03.2021**

We have audited the accompanying Project Financial Statements (PFS) of the **Karnataka Integrated Urban Water Management Investment Programme (KIUWMIP) – Project 2** financed under Asian Development Bank Loan No. 3726-IND, 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 31st March 2021.

Please note that **no management letter** has been prepared together with the audit report on the project financial statement.

Date: 15.02.2022  
Place : Bangalore

for P N R & Co.,  
Chartered Accountants  
Firm Registration No : 0024955

(P N Rajashekar)  
Partner  
Membership No: 22647

