

Audited Project Financial Statements

Project Number: 48226-004

Loan Number: 3703

Period covered: 1 April 2020 to 31 March 2021

India: Second Rural Connectivity Investment Program – Tranche 2

Prepared by Madhya Pradesh Rural Road Development Authority, Government of Madhya Pradesh

For the Asian Development Bank

Date received by ADB: 27 April 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 Madhya Pradesh Rural Road Development Authority, Government of Madhya Pradesh.

Executing Agency - Govt. Of Madhya Pradesh & Madhya Pradesh Rural Road Development Authority
Implementing Agency- Madhya Pradesh Rural Road Development Authority
Project- Second Rural Connectivity Investment Programme (RCIP) Project -II
Loan No.3703-IND

STATEMENT OF RECEIPTS AND PAYMENTS
REPORT FOR THE YEAR ENDED 31st March, 2021

In (INR)'000

Particular	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)
		2020-21	2019-20	
Opening Balance (A)		770,705	0	
Receipts				
Funds received from Government (for ADB)	Note -4 of Annexure -4	0	6,360,893	10,510,793
Other Funds received from Government as State Share	Annexure -8	2,975,516	0	4,035,715
ADB Loan				
ADB Grant				
Co-Financier 1				
Co-Financier 2				
Beneficiary contribution (If any)				
Other receipts such as , interest Income, sale from disposal of fixed assets, etc				
Total Receipts (B)		2,975,516	6,360,893	14,546,508
Total (C=A+B)		3,746,222	6,360,893	14,546,508
Payments				
Investment Costs				
Civil works		3,746,222	4,529,988	13,486,309
Mechanical and Equipment				
Environment and Social Mitigation				
Consultants				
a. Project Management				
b. Capacity Development				
Refund of Funds to the Government, received on returnable basis	Annexure -8	0	1,060,199	1,060,199
Subtotal (D)		3,746,222	5,590,187	14,546,508
Recurrent Costs				
Salaries				
Accommodation				
Equipment Operation and Maintenance				
Others				
Subtotal (E)		0	0	0
Total Payments				
Financing Charges During Implementation (F)				
Total Project Cost (G=D+E+F)		3,746,222	5,590,187	14,546,508
Closing Balance (C-G)		0	770,705	0

As per our report of even date attached

For: SBA & Company

Chartered Accountants

FRN:004651CCA. Vikas Jain
(Partner)**M.No 078245**

Place: Indore

Date: 29.09.2021

Tanvi
 Tanvi Sundrival
 Chief Executive Officer
 M.P. Rural Road Development Authority

Mahendra Pal Singh Niranjan
 Mahendra Pal Singh Niranjan
 Chief General Manager (Fin.)
 M.P. Rural Road Development Authority
 BHOPAL

Executing Agency - Govt. Of Madhya Pradesh & Madhya Pradesh Rural Road Development Authority

Implementing Agency- Madhya Pradesh Rural Road Development Authority

Project- Second Rural Connectivity Investment Programme (RCIP) Project -II

Loan No. 3703-IND

Statement of Expenditure by Category & Financier

Report for the year Ended 31 st March, 2021

In (INR)'000

Particular	ADB			Co-Financier		Government		Total Expenditure 8
	Percentage of Financing 1	Actual Expenditure		Actual Expenditure		Actual Expenditure		
		Amount 2	% 3	Amount 4	% 5	Amount 6	% 7	
Investment Costs								
Civil works		1,493,244	39.86%			2,252,978	60.14%	
Mechanical and Equipment								
Environment and Social Mitigation								
Consultants								
a. Project Management								
b. Capacity Development								
c. Others								
Subtotal (A)		1,493,244				2,252,978		
Recurrent Costs								
Salaries								
Accommodation								
Equipment Operation and Maintenance								
Others								
Subtotal (B)		0				0		
Total Project Cost (C=A+B)		1,493,244				2,252,978		
% Total Project Cost								
Total Project Cost for (Insert prev. Year period)		1,805,653				2,724,335		



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STATEMENT OF DISBURSEMENT

Report for the year Ended 31 st March, 2021

Details of the disbursement by method are given below:

In (INR)'000

Statement of Disbursement	Note	Current Year	Previous Year	Cumulative Project to Date
ADB Fund Claimed during the Year		2020-21	2019-20	
Reimbursement Method				
SOE :		860,167	2,048,528	2,908,695
DOC :		629,708	1,833,871	2,463,579
Imprest Fund				
Direct Fund				
Commitment Letter				
Subtotal	(A)	1,489,875	3,882,399	5,372,274
Total Expenditure made during the year	(B)	3,746,222	4,529,988	13,486,309
Less:				
Expenditure not yet Claimed	(C)		-2,076,746	0
Borrower's Share (60.14 GOI)	(D)	2,256,347	2,724,335	8,114,036
Total Eligible Expenditure claimed (B-C-D=E=A)	(E)	1,489,875	3,882,399	5,372,274



Notes to the Financial Statement for the year ended 31 March 2021Name of Country: **India**Project: **SRCIP Project-II**Loan no. **3703 IND**Executing Agency- **Govt. Of Madhya Pradesh & Madhya Pradesh Rural Road Development Authority**Implementing Agency **Madhya Pradesh Rural Road Development Authority****PROJECT NATURE AND ACTIVITY**

- 1.1** The primary objective of PMGSY is to provide Connectivity, by way of an All-weather Road (with necessary culverts and cross-drainage structures, which is operable throughout the year), to the eligible unconnected Habitations in the rural areas with a population of 500 persons and above in Plain areas. In respect of the Hill States (North-East, Sikkim, Himachal Pradesh, Jammu & Kashmir and Uttarakhand), the Desert Areas (as identified in the Desert Development Programme), the Tribal areas (Schedule V) and Selected Tribal and Backward Districts (as identified by the Ministry of Home Affairs and Planning Commission)* the objective would be to connect eligible unconnected Habitations with a population of 250 persons and above.

1.2 Give legislative Framework

The Project is being implemented in the state of Madhya Pradesh by the Government of Madhya Pradesh through the department of Panchayat and Rural Development. MPRRDA is the executing agency and it is registered under Madhya Pradesh society registration act 1973.

2. Statement of compliance

These Financial statements have been prepared in accordance with terms of reference (TOR) conveyed by Government of India / Ministry of Finance / Department of Economic Affairs vide their letter number P-17024/08/2012-RC dated 30.07.2013. This refers to the cash basis of accounting applied with due regards to the General Financial Rules. PWD Codes, Treasury Codes and similar rules and codes are in the effect and applicable to the operation of the project

3. Significant accounting policies

Significant accounting policies adopted in the presentation of accounts are as under:-



3.1 Financial statement

This Comprises of the statement of receipts and payments and the statement of expenditure by category and financier, the statement of disbursement and related notes and appendices to the financial statement.

3.2 Basis of measurement

Financial statement has been prepared under the historical cost convention and on cash Basis of accounting.

3.3 Change in accounting Policies

During the period of annual financial statement there is no change in accounting policies in the reported financial year.

3.4 Fund flow Mechanism

MPRRDA gets the Grants from the Government of India through the Annual Budgeted support for the Project. Funds are disbursed from the Government treasury. The total Cost of the project is funded by Grants from Government of India and ADB. Fund flow mechanism is controlled by EA and all Payments are done by Project Implementation Units (PIUs) of MPRRDA (EA).

3.5 Advance and other Receivables

The advance paid to civil contractor and consultants are treated as project expenditure and recoveries are affected through interim payment certificates/ Bills. ADB disburses the loan as per reimbursement procedures on such advances as eligible expenditure.

3.6 Cash and Cash equivalents

The project does not handle cash and cash equivalents.

3.7 Accrued and other Liabilities

Since project accounts are maintained on Cash basis accounting, no provision has been made for accruals and liabilities.

3.8 Income

MPRRDA is Non- Earning Government Society registered under the society act 1973 and comes under the Department of Panchayat and rural development of government of Madhya Pradesh. It's only source of Revenue is Grants received from the Government of India and Government of Madhya Pradesh. Hence there is no income to be recognized.

3.9 Foreign currency transactions and translation

1) Functional and presentation currency



Items included in the financial statement of the project are measured using the currency of the primary economic environment in which the entity operates (the functionary currency) which is the Indian Rupees.

2) Transactions and balances

No transactions in foreign currency have been effected.

3.10 Allocation of Common Costs

No Common Cost is allocated to different output/ activities.

3.11 Interest Expenses & Financial Charges

No financial Charges & interest have been allocated to the Project by MPRRDA.

4. Fund Received from the government

Particulars	Current Year	Prior Year	IN (INR) 000 Cumulative Project to date
	2020-21	2019-20	
Government of India Funding	0.00	63,60,893	10,510,793
Total	0.00	63,60,893	10,510,793

5. Difference between the Net Eligible Expenses and Actual Amount Reimbursed during the year.

W/A No.	Net Eligible Expenses	Actual Amount reimbursed	Difference	Reasons
WA075	8,35,81,982.00	8,33,75,722.00	2,06,260.00	Amount rejected by ADB
WA055	7,35,47,878.00	7,03,84,796.00	31,63,082.00	Amount rejected by ADB


6. Date of Authorization


These Financial statements have been authorized for issue by the management of Madhya Pradesh Rural Road Development authority on



7. MPRRDA Submitted claims to ADB through NRRDA and NRRDA submitted these claims to ADB. The difference between the amount claimed by MPRRDA and the amount disbursed by ADB will be reconciled with NRRDA.
8. Other funds received from Government on returnable basis are not specific budgetary allocations for this purpose but these funds are used out of Government funds available with MPRRDA. If ADB funds are available these funds are shown as returned. In case ADB funds are not available then Government funds are utilized.
9. Loan number 3703 came into effect from 02-April -2019.

For MPRRDA


Tanvi Sundriyal
Chief Executive Officer
M.P. Rural Road Development Authority
Chief Executive Officer


Mahendra Pal Singh Niranjana
Chief General Manager (Fin.)
M.P. Rural Road Development Authority
CGM (F)
BHOPAL



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Report for the year Ended 31 st March, 2021

Funds Received from ADB

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		1,489,875	3,860,072	5,349,947
-By Imprest Account		-	-	-
-By Direct Payment		-	-	-
-By Commitment Procedure		-	-	-
-By Commitment Procedure		-	-	-
ADB Loan Total		-	-	-
ADB Grant		1,489,875	3,860,072	5,349,947
ADB Loan and Grant Total				

NOTE : This Statement is prepared as per LFIS and above amount refers to the total fund disbursed by ADB during the year .



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Report for the year Ended 31 st March, 2021

Reconciliation of the Imprest Account and the bank Statement is given below

Statement of Imprest Account			In (INR)'000
	Prior Year	Current Year	
Balance brought forward from previous period			
Add:			
Advance			
Replenishment received during the year/period			
Interest Earned			
Subtotal (A)			
Deduct:			
Payments made during the year/period			
Replenishment/Liquidation			
Expenditure yet to be claimed			
Amount refunded during the year/period			
Closing balance			
As per Bank Statement			

NOTE : This Statement is not applicable .



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Disbursement claimed under statement of expenditure (SOE) Procedure for the year Ending 31.03.2021

6.6 Details of disbursement claimed under the statement of expenditure (SOE) Procedure are Given Below

IN (INR) 000

W\A No	SOE Sheet No	Category	Total Amount Paid	ADB Financing %	Net Eligible Expenses	Amount Reimbursed *	Imprest Fund Replenished/ Liquidated	Total Disbursement using SOE Procedure
1	2	3	4	5	6	7	8	7+8=9
Appendix 1		Civil Work	2,158,487	39.86%	860,373	860,167	0	860,167
Total			2,158,487		860,373	860,167	-	860,167
Total for (Prior Year)								

Particulars	Amount In Rs
Total Disbursement Received in 20-21	1489874661
Total Disbursement Received in 20-21 of 20-21 - SOE	860166747
Total Disbursement Received in 20-21 of 20-21 - DOC	629707914



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Counterpart fund Received from Government of India for the year ending 31.03.2021

IN (INR) 000

Particulars	Current Year 2020-21	Prior Year 2019-20	Cumulative Project to date	Fund Received From Government during the year	Temporary Fund Received From Government	Net Amount Refundable To Government*
	1	2	3	4	5	3-5=6
Other funds received from Government as State Share	2,975,516	-	4,035,715	-	1,060,199	2,975,516
	2,975,516	-	4,035,715		1,060,199	2,975,516

* Note: The amount shown in column 6 above is the share of State and thus is not actually refundable to the government.



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STATEMENT OF APPROPRIATION VS ACTUAL FOR THE YEAR ENDED 31st March 2021

COST CATEGORIES	For the current year ended 2020-21				For the prior year ended 2019-20				Cumulative from (beginning of project) to year to date			
	BUDGETED EXPENDITURE	ACTUAL EXPENDITURE	UTILIZATION PERCENTAGE	VARIANCE	BUDGETED EXPENDITURE	ACTUAL EXPENDITURE	UTILIZATION PERCENTAGE	VARIANCE	BUDGETED EXPENDITURE	ACTUAL EXPENDITURE	UTILIZATION PERCENTAGE	VARIANCE
Investments Costs	3,746,222	3,746,222	100	-	4,529,988	4,529,988	100	-	13,486,309	13,486,309	100	-
Civil works												
Equipment												
Land acquisition and Resettlement												
Utility Shifting and Miscellaneous works												
Blackspot program												
Consulting services												
a. Construction supervision consultants												
b. Road planning and asset management support												
SUBTOTAL	3,746,222	3,746,222	100	-	4,529,988	4,529,988	100	-	13,486,309	13,486,309	100	-
Recurrent Costs												
Project Management												
SUBTOTAL	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS	3,746,222	3,746,222	100	-	4,529,988	4,529,988	100	-	13,486,309	13,486,309	100	-
Financing Charges During Implementation												
Total Project Cost	3,746,222	3,746,222	100	-	4,529,988	4,529,988	100	-	13,486,309	13,486,309	100	-
Grand total of expenditure in USD(@72)	52,031	52,031	100	-	62,917	62,917	100	-	187,310	187,310	100	-



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Expenditure of Output components for the period 31.03.2021

IN (INR) 000

COST CATEGORIES	OUTPUT 1		TOTAL EXPENDITURE		
	CURRENT YEAR	CUM TO DATE	PRIOR YEAR	CURRENT YEAR	CUM TO DATE
Investments Costs					
Civil works	3,746,222	13,486,309	4,529,988	3,746,222	13,486,309
Equipment					-
Land acquisition and					
Utility Shifting and Miscellaneous					
Blackspot program					
Consulting services					
a. Construction supervision					
b. Road planning and asset					
SUBTOTAL	3,746,222	13,486,309	4,529,988	3,746,222	13,486,309
Recurrent Costs					
Project Management					
SUBTOTAL	-	-	-	-	-
TOTAL PAYMENTS	3,746,222	13,486,309	4,529,988	3,746,222	13,486,309
Financing Charges During					
Total Project Cost	3,746,222	13,486,309	4,529,988	3,746,222	13,486,309
Grand total of expenditure in USD(@72)	52,031	187,310	62,917	52,031	187,310



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Details of Amount Disbursed by ADB in 2020-21 against claim submitted Under SOE Procedure during the year Ending 31st March 2021

W\A No	SOE Sheet No	Category	Total Amount Paid (100%)	ADB Financing (39.86%)	Net Eligible Expenses	Amount Reimbursed *	Imprest Fund Replenished / Liquidated	Total Disbursement using SOE Procedure
1	2	3	4	5	6	7	8	7+8=9
WA050	-	CIVIL	276461009	39.86%	110197358	110197358	0	110197358
WA052	-	CIVIL	166631621	39.86%	66419364	66419364	0	66419364
WA053	-	CIVIL	263491217	39.86%	105027599	105027599	0	105027599
WA056	-	CIVIL	150485008	39.86%	59983324	59983324	0	59983324
WA057	-	CIVIL	98822940	39.86%	39390824	39390824	0	39390824
WA058	-	CIVIL	35484468	39.86%	14144109	14144109	0	14144109
WA060	-	CIVIL	174904794	39.86%	69717051	69717051	0	69717051
WA062	-	CIVIL	156251119	39.86%	62281696	62281696	0	62281696
WA063	-	CIVIL	151741277	39.86%	60484073	60484073	0	60484073
WA065	-	CIVIL	74781851	39.86%	29808046	29808046	0	29808046
WA067	-	CIVIL	169093445	39.86%	67400647	67400647	0	67400647
WA071	-	CIVIL	84084212	39.86%	33515967	33515967	0	33515967
WA072	-	CIVIL	55482007	39.86%	22115128	22115128	0	22115128
WA073	-	CIVIL	91083389	39.86%	36305839	36305839	0	36305839
WA075	-	CIVIL	209688866	39.86%	83581982	83375722	0	83375722
TOTAL (A)			2,158,487,223		860,373,007	860,166,747	-	860,166,747

Details of Amount Disbursed by ADB in 2020-21 against claim submitted Under DOC Procedure during the year Ending 31st March 2021

W\A No	SOE Sheet No	Category	Total Amount Paid (100%)	ADB Financing (39.86%)	Net Eligible Expenses	Amount Reimbursed *	Imprest Fund Replenished / Liquidated	Total Disbursement using DOC Procedure
1	2	3	4	5	6	7	8	7+8=9
WA051	-	CIVIL	66438289	39.86%	26482302	26482302	0	26482302
WA054	-	CIVIL	209389872	39.86%	83462803	83462803	0	83462803
WA055	-	CIVIL	184515499	39.86%	73547878	70384796	0	70384796
WA059	-	CIVIL	262430725	39.86%	104604887	104604887	0	104604887
WA061	-	CIVIL	180256583	39.86%	71850274	71850274	0	71850274
WA064	-	CIVIL	108857436	39.86%	43390574	43390574	0	43390574
WA066	-	CIVIL	37798640	39.86%	15066538	15066538	0	15066538
WA068	-	CIVIL	62720818	39.86%	25000518	25000518	0	25000518
WA069	-	CIVIL	260744854	39.86%	103932899	103932899	0	103932899
WA074	-	CIVIL	118257180	39.86%	47137312	47137312	0	47137312
WA070	-	CIVIL	96324664	39.86%	38395011	38395011	0	38395011
TOTAL (B)			1,587,734,561		632,870,996	629,707,914	0	629,707,914
Total (A+B)			3,746,221,784		1,493,244,003	1,489,874,661		1,489,874,661

