

Audited Project Financial Statements

Project Number: 49377-001

Loan Number: 3437

Period covered: 1 April 2020 to 31 March 2021

INDIA: Madhya Pradesh District Roads II Sector Project

Prepared by Madhya Pradesh Road Development Corporation Ltd.

For the Asian Development Bank

Date received by ADB: 30 September 2021

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 Road Development Corporation Ltd.

AUDITED PROJECT FINANCIAL
STATEMENTS

OF

MADHYA PRADESH DISTRICT ROAD II SECTOR
PROJECT

(FINANCED BY ASIAN DEVELOPMENT BANK UNDER
LOAN NO. 3437-IND)

FOR THE YEAR ENDED 31ST MARCH, 2021

BY

A K B JAIN & CO.

CHARTERED ACCOUNTANTS

AB HOUSE, E-2/316, ARERA COLONY,

BHOPAL - 462016

PH. NO. (0755) 2420163

INDEPENDENT AUDITOR'S REPORT

To,
MADHYA PRADESH ROAD DEVELOPMENT CORPORATION LIMITED,
BHOPAL (PROJECT IMPLEMENTATION AGENCY)

Report on the Project Financial Statements

We have audited the accompanying financial statements of Project- **Madhya Pradesh District Road II Sector Project (financed by Asian Development Bank under Loan No. 3437-IND) (MPDRSP-ADB) as implemented by Madhya Pradesh Road Development Corporation Limited** (the Corporation) which comprises of the statement of receipt and payments, statement of expenditure by category and financier, the statement of disbursement and related notes for the period ended as on 31st March, 2021.

Management's Responsibility for the Financial Statements

The Project's management is responsible for the preparation of these aforesaid financial statements that give a true and fair view of the financial position and financial performance of the project. This responsibility includes design, implementation and maintenance of adequate internal financial controls relevant to the preparation and presentation of the financial statements that give a 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 aforesaid financial statements based on our audit. We have conducted our audit in accordance with the Auditing Standards Promulgated by the Comptroller and Auditor General of India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Our Audit examines on a test basis evidences supporting the amount and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable assurance basis for our opinion



Opinion

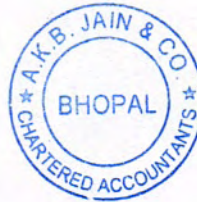
In our opinion, the financial statements present fairly, in all material respect , the sources and application of funds of project for the year ended 31 March 2021 in accordance with government of India accounting standards.

In addition, in our opinion ;

- (a) Proceeds of the loan from ADB have been utilized for the purpose as per ADB Loan/Project Agreement.
- (b) Financial covenants in the loan agreement No.3437-IND have been complied with by the Corporation (Implementing Agency).
- (c) (i)(a) With respect to SOEs, adequate supporting Documentation has been maintained to support claims to the Asian Development Bank for reimbursements of expenditures incurred ;and
 - (b) except for ineligible expenditures as detailed in the audit observation, if any, appended to this Audit Report, expenditures are eligible for financing under the Loan Agreement .
- (ii)(a) The Imprest Accounts give a true and fair view of the receipts collected and payments made during the year ended 31st March 2021- Not Applicable
 - (b) These receipts and payments support Imprest Account Liquidations/replenishments during the year- Not Applicable
- (d) Other observations regarding the PFS are provided in **Annexure-A**

This report is issued without prejudice to CAG's right to incorporate the audit observation in the report of CAG of India for being laid before Parliament/State or UT Legislature.

Place: Bhopal
Date: 30.09.2021



For A K B JAIN & CO.
Chartered Accountants
FRN: 003904C

Pawan Dharamdasani

PAWAN DHARAMDASANI
(Partner)
M.No.430739
UDIN: 21430739AAAAES1220

Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited
Implementing Agency - Madhya Pradesh Road Development Corporation Limited
Project- Madhya Pradesh District Roads II Sector Project
Loan No.3437-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)
Opening Balance (A)		29,00,668	26,07,584	
Receipts				
Funds received from Government	4	55,00,000	74,07,600	2,89,20,655
ADB Loan	6			
ADB Grant	6			
Co-Financier 1	7			
Co-Financier 2	8			
Beneficiary contribution (If any)	9			
Other receipts as Temporary fund ,interest income,sale from disposal of fixed assets, etc.	10	98,074	79,440	2,73,395
Total Receipts (B)		55,98,074	74,87,040	2,91,94,050
Total (C=A+B)		84,98,742	1,00,94,624	2,91,94,050
Payments				
Investment Costs	11			
Civil works		63,93,655	68,36,760	2,62,78,537
Mechanical and Equipment				
Environment and Social Mitigation		-		
Consultants				
a. Project Management		1,96,415	2,81,155	8,45,873
b. Capacity Development				-
Others (GST & Project Development Expenses)		46,634	76,041	2,07,602
Subtotal (D)		66,36,704	71,93,956	2,73,32,012
Recurrent Costs	12			
Salaries		20,110	-	20,110
Accommodation		-	-	-
Equipment Operation and Maintenance		-	-	-
Others		55	-	55
Subtotal (E)		20,165	-	20,165
Total Payments				
Financing Charges During Implementation (F)	13	-	-	-
Total Project Cost (G=D+E+F)		66,56,869	71,93,956	2,73,52,177
Closing Balance (C-G)		18,41,873	29,00,668	18,41,873

For M.P.Road Development Corporation Ltd.

(Gopal Singh) (Rajkumar Tripathi)
 Chief Engineer General Manager (Finance)

Place : Bhopal

Date : 30.09.2021

As per our report of even date attached

For M/s A K B JAIN & CO

Chartered Accountants

Firm Regn.No.:003904C

Pawan dharamdasani

Partner

M.No. 430739



Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited

Implementing Agency - Madhya Pradesh Road Development Corporation Limited

Project- Madhya Pradesh District Roads II Sector Project

Loan No.3437-IND

Statement of Expenditure by Category & Financier

Report for the year ended 31st 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		46,67,368	73			17,26,287	27	63,93,655
Mechanical and Equipment								
Environment and Social Mitigation								
Consultants								
a. Project Management		1,96,415	100			-	-	1,96,415
b. Capacity Development								
c. Others (Service Tax & Project Development Expenses)		-				46,634	100	46,634
Subtotal (A)		48,63,783				17,72,921		66,36,704
Recurrent Costs								
Salaries		20,110	100			-		20,110
Accommodation								
Equipment Operation and Maintinence								
Others		55	100					55
Subtotal (B)		20,165		-		-		20,165
Total Cost (C=A+B)		48,83,948		-		17,72,921		66,56,869
% Total Project Cost		15.03%				5.46%		20.49%
Total Project cost for (Insert prev. year period)		16.22%				5.91%		22.13%

For M.P.Road Development Corporation Ltd.

(Gopal Singh)
Chief Engineer

(Rajkumar Tripathi)
General Manager (Finance)

Place : Bhopal

Date : 30.09.2021

As per our report of even date attached

For M/s A K B JAIN & CO
Chartered Accountants
Firm Regn.No.:003904C



Pawan dharamdasani
Partner
M.No. 430739

Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited

Implementing Agency - Madhya Pradesh Road Development Corporation Limited

Project- Madhya Pradesh District Roads II Sector Project

Loan No.3437-IND

STATEMENT OF DISBURSEMENT

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				
Reimbursement	6.1	48,60,560	49,80,313	1,97,41,417
Imprest Fund	6.2			
Direct Fund	6.3			
Commitment Letter	6.4			
Subtotal	(A)	48,60,560	49,80,313	1,97,41,417
Total Expenditure made during the year	(B)	66,56,869	71,93,956	2,73,52,178
Less:				
Expenditure not yet Claimed	(C)	23,388	2,91,677	3,15,065
Borrower's Share	(D)	17,72,921	19,21,966	72,95,696
Total Eligible Expenditure claimed (B-C-D=E=A)	(E)	48,60,560	49,80,313	1,97,41,417

For M.P.Road Development Corporation Ltd.

As per our report of even date attached

For M/s A K B JAIN & CO

Chartered Accountants

Firm Regn.No.:003904C

(Gopal Singh)
Chief Engineer

(Rajkumar Tripathi)
General Manager (Finance)



Pawan dharamdasani
Partner
M.No. 430739

Place : Bhopal

Date : 30.09.2021

Annexure – 4

Name of the Country - INDIA

Executing Agency - Govt. of Madhya Pradesh and Madhya Pradesh Road Development Corporation limited

Implementing Agency – Madhya Pradesh Road Development Corporation Limited

Project- Madhya Pradesh District Roads II Sector Project

Loan No. -3437-IND

NOTES TO THE FININCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

1 PROJECT NATURE AND ACTIVITIES

1.1 Description Of the project - To develop more efficient and sustainable transport operations on the Major District Road.

Nature of activities- Rehabilitation and up gradation of the Major District Road
commencement and expected completion dates-15/05/2017 and 30/09/2021

Location- Major District Roads at all parts of the Madhya Pradesh

Brief Nature of the project outputs -More efficient and sustainable transport operations on the Major District Road.

1.2 Give legislative framework – Not Applicable

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 No. 4/12/2013-ADB-II dated 27/08/2013. This refers to the cash basis of accounting applied with due regard to the General Financial Rules, PWD Codes, Treasury Codes, and similar rules and codes as are in effect and applicable to the operation of the project.

3. SIGNIFICANT ACCOUNTING POLICY

3.1 Financial Statement

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

3.2 Basic of Measurement

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

3.3 Change of accounting policies- There is no change in Accounting Policies. These financial statements have been prepared in accordance with terms of reference (TOR) conveyed by



For A.K.B. JAIN & CO.
Chartered Accountants
FRN 003904 - C


C.A. Pawan Dharamdasani
M.No.430739(Partner)

Government of India/ Ministry of Finance/ Department of Economic Affairs vide their letter no. 4/12/2013-ADB-II dated 27/08/2013.

3.4 Fund Flow Mechanism

Describe the fund flow mechanism, in particular, whether the IA/EA control funds or whether all payments are centralized- Fund Flow Mechanism are controlled by EA and all payments are centralized.

3.5 Advance and other receivables

Describe treatment of advance against expenditures –Advances as and when paid are treated as expenditure and whenever recovered from the interim payment certificate the net amount paid after recovery of advances are shown as expenditure.

3.6 Cash and cash equivalents

Cash equivalents comprise [define components of cash]. Explain if the entity controls unspent advances, only petty cash, or has a nil balance, as applicable– All payments are made through Bank only. No cash balance is maintained.

3.7 Accrued and other Liabilities

Disclose any major liabilities which have not been accrued under the cash basis policy- Following liabilities have not been accrued under the cash basis policy therefore not accounted for :-

Liabilities	Amount (Rs.000)
Retention Money	- 7,46,499.00
Withheld / Other Deductions	- 3,03,911.00

3.8 Income

- i) **Describe nature of different types of Income and how they are recognized. For example Grants, sale of proceeds of fixed assets, interest income on bank accounts etc. –** Details of other receipts are given in Note reference 10.
- ii) **[included if applicable] Free of cost office space, Electricity and certain other services provided by {insert name} are not valued and accordingly, are not recognized in these financial statements as income of the project.-** NA

3.9 Foreign currency transaction and translation

- (a) **Function 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)



For A.K.B. JAIN & CO.
Chartered Accountants
FRN 003904-C

C.A. Pawan Dharamdasani
M.No.430739(Partner)

(b) **Transactions and balances** – No transactions in foreign currency.

3.10 **Allocation of common Costs**

No common costs are allocated to different output/activities.

3.11 **Interest Expenses and Financial Charges**

Madhya Pradesh Road Development Corporation (MPRDC) is only an implementing agency for the project. The amount to be incurred for the project is received from Government of Madhya Pradesh and claims for such expense is submitted to ADB for reimbursement & the amount of reimbursement is directly received by Government of Madhya Pradesh. Therefore MPRDC has not taken any loan & subsequently financing charges and interest has not been booked.

4. **FUNDS RECEIVED FROM THE GOVERNMENT**

Government of Madhya Pradesh provides fund to Madhya Pradesh Road Development Corporation based on executing program submitted through budgetary support. Details of fund provided are as under:-

in (INR)'000			
Particulars	Current Year	Previous Year	Cumulative Year to Date
Government Counterpart funding amount Reimbursable to Government			
Funds Received	55,00,000.00	74,07,600.00	2,89,20,655.00

5. **Date of Authorization**

These financial statements have been authorized for issue by the Management of Madhya Pradesh Road Development Corporation Limited on 29/09/2021

For M.P.Road Development Corporation Ltd.


(Gopal Singh)
Chief Engineer


(Rajkumar Tripathi)
General Manager
(Finance)

Place : Bhopal

Date : 30.09.2021

As per our report of even date attached

For M/s A K B Jain & Co.

Chartered Accountants

Firm Regn.No.:- 003904C




Pawan Dharamdasani
Partner
M.No. 430739

Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited

Implementing Agency - Madhya Pradesh Road Development Corporation Limited

Project- Madhya Pradesh District Roads II Sector Project

Loan No.3437-IND

6. FUNDS RECEIVED FROM ADB

Date of Loan Agreement - 22.03.2017

Loan effectiveness Date - 22.03.2017

In (INR)'000

ADB Source of Funds - Method of Withdrwal	Notes Reference	During The Current Year	During The Previous Year	Cumulative Project to date
ADB Loan				
By Reimbursement Method	6.1	53,20,564	73,56,791	1,96,27,975
By Imprest Method	6.2			
By Direct Payment	6.3			
By Commitment Procedure	6.4			
ADB Loan Total				
ADB Grant				
ADB Loan and Grant Total		53,20,564	73,56,791	1,96,27,975

6.1 Fund received from ADB through reimbursement method

Particulars	In (INR)'000
Amount spent and claimable for reimbursement	48,83,948
Add: Expenditure incurred during the year 2019-20 claims submitted on 19-03-2020 for Rs.30,74,03,607/-less Taxes deposited for FY 2019-20(73% of Rs.2,07,38,514/-ie Rs.1,57,27,003/- but claims are reimbursed by ADB in FY 2020-21	2,91,677
Add: Expenditure incurred during the year 2019-20 claims submitted on 19-03-2020 for Rs.63,48,93,418/- but claims are reimbursed by ADB in FY 2020-21	6,34,893
Less: Expenditure incurred during the year 2020-21 claims submitted on for Rs.31,45,28,455/- but claims are reimbursed by ADB in FY 2021-22	3,14,529
Less: Expenditure incurred during the year 2020-21 for Rs.32,22,996/- but claims are not submitted till 31.03.2021	3,223
Less: Expenditure incurred during the year 2020-21 for Rs.2,01,10,175/- but claims are not submitted till 31.03.2021	20,110
Less: Expenditure incurred during the year 2020-21 for Rs.55,000/- but claims are not submitted till 31.03.2021	55
Less: Expenditure incurred during the year 2020-21 claims submitted on for Rs.5,17,18,388/- but claims are reimbursed by ADB in FY 2021-22	51,718.00
Less: Expenditure incurred during the year 2020-21 claims submitted on for Rs.3,74,05,991/- but claims are reimbursed by ADB in FY 2021-22	37,406.00
Less: Expenditure incurred during the year 2018-19 claims submitted and reimbursed by ADB but left to be shown in Annwexure1 and 2 in PFS of F.Y-2018-19 so now shown in current PFS	60,101.00
Less: Short claim received during FY 2020-21 in WA38-Rs.79,972/-,WA42-Rs.3,WA50-Rs.7,300/-	87
Less: Short claim received during FY 2020-21 in WA36-Rs.27,25,336/-	2,725
Amount of reimbursement by ADB during financial year 2020-21	53,20,564

For A.K.B. JAIN & CO.
Chartered Accountants
FRN 003904-C

C.A.Pawan Dharamdasani
M.No.430739(Partner)

Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited
Implementing Agency - Madhya Pradesh Road Development Corporation Limited
Project- Madhya Pradesh District Roads II Sector Project
Loan No.3437-IND

6.2 Reconciliation of the imprest Account and Bank statement
 NOT APPLICABLE

6.3 Details of Payments Made directly by ADB are given below
 NOT APPLICABLE

6.4 Details of Payments Made through commitment procedure
 NOT APPLICABLE

6.5 Details of Grants
 NOT APPLICABLE

Annexure - 7

ATTACHED

Annexure - 8

Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited
Implementing Agency - Madhya Pradesh Road Development Corporation Limited
Project- Madhya Pradesh District Roads II Sector Project
Loan No.3437-IND

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Note Reference 7
 Co-Financer 1
 NOT APPLICABLE

Note Reference 8
 Co-Financer 2
 NOT APPLICABLE

Note Reference 9
 Beneficiary contribution
 NOT APPLICABLE

Note Reference 10
DETAILS OF OTHER RECEIPTS AS PER NOTE REFERENCE 10

Particulars	In (INR)'000		
	Current Year	Previous Year	Cumulative project to date
Repayment of Temporary Advance from MPRDC	-	(14,679)	-
Interest	98,074	94,119	2,73,395
TOTAL	98,074	79,440	2,73,395

Note Reference 11
Investment Costs
 No Further Breakup required

Note Reference 12
Recurrent Costs

Others				In (INR)'000
Particulars	Current Year	Previous Year	Cumulative project to date	
Audit Fees	55	-	55	

For A.K.B. JAIN & CO.
 Chartered Accountants
 FRN 003904-C

C.A. Pawan Dharamdasani
 M.No. 430739 (Partner)

Note Reference 13

Financing Charges During Implementation (F)

NOT APPLICABLE

ATTACHED

Annexure - 9


NOT APPLICABLE

Annexure - 10

ATTACHED

Annexure - 11

For M.P.Road Development Corporation Ltd.


(Gopal Singh)
Chief Engineer


(Rajkumar Tripathi)
General Manager (Finance)

Place : Bhopal

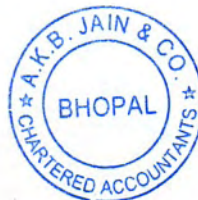
Date : 30.09.2021

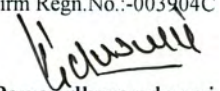
As per our report of even date attached

For M/s A K B JAIN & CO

Chartered Accountants

Firm Regn.No.: -003904C




Pawan dharamdasani

Partner

M.No. 430739

Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited
Implementing Agency - Madhya Pradesh Road Development Corporation Limited
Project- Madhya Pradesh District Roads II Sector Project
Loan No.3437-IND

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE

W/A No.	SOE Sheet No.	Category	Total Amount Paid	ADB Financing 73 %	Net Eligibal Expenses	Amount Reimbursed	Imprest Fund Replenished/ Liquidated	Total Disbursement Using SOE Procedure
	2	3	4	5	6 (4x5)	7	8	9=(7+8)
0000'1	1	Civil Work	63,93,655	73%		0	0	0
	2	Mechanical Work						
0000'2	1	Consultants	1,96,415	100%	1,96,415	0	0	0
	2	Salaries	20,110	100%	20,110	0	0	0
	3	Accommodation						
0000'5	1	Environment and Social Mitigation						
	2	Equipment Operation and Maintenance						
	3	Others(Audit Fee)	55	100%	55	0	0	0
		Total	66,10,235		48,83,948	0	0	0
		Total for (Prior Year)	71,17,915		52,71,990	0	0	0

For A.K.B. JAIN & CO.
Chartered Accountants
FRN 003904 - C

C.A. Pawan Dharamdasani
M.No. 430739 (Partner)

Executing Agency - Govt. of Madhya Pradesh & Madhya Pradesh Road Development Corporation Limited
 Implementing Agency - Madhya Pradesh Road Development Corporation Limited
 Project - Madhya Pradesh District Roads II Sector Project
 Loan No. 3437-IND

STATEMENT OF APPROPRIATION VS. ACTUAL

Cost Categories	For the current year ended 2021				For the prior year ended 2020				Cumulative from (Beginning to project) to year to date			
	Budgeted Expenditures INR'000	Actual Expenditures INR'000	Utilization Percentage %	Variance INR'000	Budgeted Expenditures INR'000	Actual Expenditures INR'000	Utilization Percentage %	Variance INR'000	Program Budgeted Expenditures INR'000	Actual Expenditures INR'000	Utilization Percentage %	Variance INR'000
Investment Costs												
Civil works	70,00,000	63,93,655	91.34%	6,06,345	70,00,000	68,36,760	97.67%	1,63,240	2,84,16,604	2,62,52,195	92.38%	21,64,409
Mechanical and Equipment												
Environment and Social Mitigation												
Consultants												
a. Project Management	2,70,000	1,96,415	72.75%	73,585	3,00,000	2,81,156	93.72%	18,844	9,76,342	8,72,215	89.33%	1,04,127
b. Capacity Development												
Others (Service Tax, Project Development Expenses, Bank charges & interest payment)	53,845	46,634	86.61%	7,211	80,000	76,041	95.05%	3,959	2,51,400	2,07,603	82.58%	43,797
Subtotal	73,23,845	66,36,704		6,87,141	73,80,000	71,93,957		1,86,043	2,96,44,346	2,73,32,013		23,12,333
Recurrent Costs												
Salaries	22,500	20,110	89.38%	2,390	0	0		-	22,500	20,110		2,390
Accommodation												
Equipment Operation and Maintenance												
Others	55	55		-	0	0		-	55	55		-
Subtotal	22,555.00	20,165.00		2,390.00	-	-		-	22,555.00	20,165.00		2,390.00
Total Payments	73,46,400	66,56,869		6,89,531	73,80,000	71,93,957		1,86,043	2,96,66,901	2,73,52,178		23,14,723
Financing Charges During Implementation												
Total Project Cost												

For A.K.B. JAIN & CO.
 Chartered Accountants
 FRN 003904-C

C.A. Pawan Dharamdasani
 M.No. 430739(Partner)



M.P. Road Development Corporation Ltd.

(M.P. State Highway Authority)

(Govt. of M.P. Undertaking)

45-A, Arera Hills, Bhopal-462011

☎ : 0755-2597290 / 2765205 Fax : 0755-2572643, Website : mprdc.gov.in

To

M/s A K B Jain & Co.
Chartered Accountants
E-2/ 316 Arera Colony,
Bhopal-462016

This Assertion letter is provided in connection with your audit of the financial statement of the Madhya Pradesh District Roads-II Sector Project covered under ADB Loan No. - 3437 for the year ended 31st March, 2021. We acknowledge our reasonability for the fair presentation of the financial statement in accordance with terms of reference (TOR) conveyed by Government of India/ Ministry of Finance/ Department of Economic Affairs vide their letter no. 4/12/2013-ADB-II dated 27/08/2013. This refers to the cash basis of accounting applied with due regard to the General Financial Rules, PWD Codes, Treasury Codes, and similar rules and codes as are in effect and applicable to the operation of the project, and we confirm, to the best of our knowledge and belief, the following representation made to you during your audit:

- The project financial statement is free of material misstatements, including omissions.
- Project funds have been used for the purposes for which they were provided.
- Projects expenditure is eligible for financing under the loan/Credit agreement.
- There have been no irregularities involving management or employees who have a significant role in internal control of that could have a material effect on the project financial statements.
- We have made available to you all records and supporting documents in relating to the project
- The project has complied with the conditions of all relevant legal agreements, including the Loan Agreement, the Project Agreement, the Project Appraisal Document, the Minutes of Negotiations and the Borrower's Project implementation plan.

For Madhya Pradesh Road Development Corporation Limited

(G.P.Mehra)

Chief Engineer

(Rajkumar Tripathi)

General Manager, Finance

Place: Bhopal

Date: /09/2021