Public Disclosure Authorized

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प्रधान महालेखाकार का कार्यालय (लेखापरीक्षा)
तेलंगाना, हैदराबाद

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
Telangana, Hyderabad

PAG(AUDIT)/TS/GSS/EAP&SAR/U.I/2018-19/ 86 Dt.18 .02.2019

To
The Project Director,
Telangana Municipal Development Project (Municipal Strengthening Unit),
5th Floor, O/o The Commissioner & Director of Municipal Administration,
Khasana, 640, AC Guards,
Hyderabad. 500 004.

Sir,

Sub: Issue of Audit Certificate for the year 2017-18 in respect of Telangana Municipal Development Project under World Bank IBRD Loan No7816-IN -Reg.

* * *

I am to forward the Report of Comptroller and Auditor General of India and Audit Certificate for the year 2017-18 in respect of World Bank Assisted "Telangana Municipal Development Project" under World Bank IBRD Loan No7816-IN along with the following enclosures.

1. Project Financial Statement for the year 2017-18 furnished by the Project Director, TMDP duly certified by Audit.
2. Annexure-A – TMDP Main Disallowances Statement
3. Annexure-B – MSU & TUFIDC Disallowance Statement
4. Annexure-C – Comp-"C" ULB-wise Disallowance Statement
5. Annexure-D – Workings for Limiting Expenditure to 70% Grant of ULBs
6. Annexure-E – Abstract of Disallowances
7. Annexure-F – Detailed Statement of Disallowances
8. Annexure-G – Adjustment of Items Disallowed in 2016-17
9. Variation of Expenditure figures -NIL

Receipt of the above mentioned documents may please be acknowledged.

Encl: As above

Yours faithfully,

B. Saranya 18/2/19

Deputy Accountant General/General Sector

Saifabad, Hyderabad - 500 004.
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INDIAN AUDIT AND ACCOUNTS DEPARTMENT
O/o THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
TELANGANA
HYDERABAD 500 004

AUDIT CERTIFICATE

The Expenditure Statement/Financial Statement relating to Telangana Municipal Development Project (TMDP) financed under World Bank IBRD Loan No. 7816-IN for the year ended 31 March 2018 attached hereto have been audited in accordance with the regulations and standards of audit of the Comptroller and Auditor General of India and accordingly included such tests of accounting records, internal checks and controls and other auditing procedures necessary to confirm.

a) that the resources were used for the purpose of the project and

b) that the expenditure statements/financial statements are correct

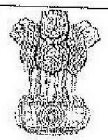
During the course of the audit referred to above, Statement of Expenditure (IBRD Loan No. 7816-IN for an amount of **Rs.1111560356/-**) and the connected documents were examined and these can be relied upon to support reimbursement under the aforesaid loan/credit agreement.

On the basis of the information and explanations that have been obtained as required and according to the best of our information as a result of the test audit, it is certified that the expenditure statement/financial statements read with the observations set out below represent a true and fair view of the implementation (and operations) of the project for the year 2017-18.

This certificate is issued without prejudice to CAG's right to incorporate any further/detailed audit observations if and when made in the Report of CAG of India for being laid before Parliament /State Legislature.

B. Saranya 10/2/19

DEPUTY ACCOUNTANT GENERAL/GENERAL SECTOR



INDIAN AUDIT AND ACCOUNTS DEPARTMENT
O/o THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
TELANGANA
HYDERABAD 500 004

Report of the Comptroller and Auditor General of India

To
The Project Director,
Telangana Municipal Development Project (Municipal Strengthening Unit),
5th Floor, O/o The Commissioner & Director of Municipal Administration,
Khasana, 640, AC Guards,
Hyderabad.

Report on the Project Financial Statements

We have audited the accompanying financial statements of the Telangana Municipal Development Project (TMDP) financed under World Bank IBRD Loan No. 7816-IN, which comprise the Statement of Sources and Applications of Funds and the Reconciliation of Claims to Total Applications of Funds for the year ended 31st March 2018. These statements are the responsibility of the Project Management Wing. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards promulgated by the Comptroller and Auditor General of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit examined on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also included 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 application of funds of Telangana Municipal Development Project for the year ended 31st March 2018 in accordance with Government of India accounting standards.

In addition, in our opinion, (a) with respect to SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursement of expenditure incurred and (b) except for ineligible expenditure of **Rs. 327585341/-** as detailed in the audit observations, appended to this audit report, expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit, SOEs/FMRs and the connected

documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement.

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

B. Saranya 8/2/19

DEPUTY ACCOUNTANT GENERAL/GENERAL SECTOR

ANNEXURE-"A"

TMDP - MAIN DISALLOWANCE STATEMENT

in respect of

World Bank Aided Telangana Municipal Development Project (IBRD Loan No.7816-IN) for the year 2017-18

Cate-gory		Expenditure figures as per PFS (Rs.)	Expenditure as per Statement of Vouchers	Expenditure verified in Audit (Rs.)	Expenditure Disallowed in Audit (Rs.)	Expenditure Admitted in Audit (Rs.)	Percentage Reimbursable as per agreement	Amount Reimbursable (Rs.)
A	**State Policy & Institutional Develeopment Support**							
A4	Urban Training Academy (Studies)	209382	209382	209382	8416408	-8207026	100	-8207026
	Component "A" Total	*209382*	*209382*	*209382*	*8416408*	*-8207026*		*-8207026*
B	**Capacity Enhancement**							
B1	Capacity Building for Professionalisation of Urban Management & Operations including related to Urban Poor Programmes & E-Governance	5418028	5418028	5418028	1000000	4418028	100	4418028
B3	GIS Mapping for Select ULBs'	37764141	37764141	37764141	3509712	34254429	100	34254429
	Component "B" Total	*43182169*	*43182169*	*43182169*	*4509712*	*38672457*		*38672457*
C	**Urban Infrastructure Investment**							
C1	Sub-Loans & Sub-Grants to ULBs for Urban Services	1031700000	1468888595	1441643268	314649510	717050490	85	609492917
	Component "C" Total	*1031700000*	*1468888595*	*1441643268*	*314649510*	*717050490*		*609492917*
D	**Project Management TA**							
D1	Monitoring & Evaluation System (CDMA/TUFIDC)	19733916	19733916	19733916	0	19733916	100	19733916
D2	Support to CDMA(Rs.11854840/-) & TUFIDC(Rs.2380501/-) for management	14235341	14071246	14071246	9711	14061535	100	14061535
D3	Sub-Project Preparation & Implementation support to ULBs (under CDMA) - MSU (Rs.2477948/-) & TUFIDC(Rs.21600/-)	2499548	2499548	2499548	0	2499548	100	2499548
	Component "D" Total	*36468805*	*36304710*	*36304710*	*9711*	*36294999*		*36294999*
	TOTAL	**1111560356**	**1548584856**	**1521339529**	**327585341**	**783810920**		**676253347**

ANNEXURE-"A"

TMDP - MAIN DISALLOWANCE STATEMENT

in respect of

World Bank Aided Telangana Municipal Development Project (IBRD Loan No.7816-IN) for the year 2017-18

Note1:	*In Component - A4, an amount of Rs.1,11,89,000/- was advanced to NIUM in 2015-16 which was not adjusted so far. Hence, now the balance unadjusted (unspent) amount has been treated as disallowed. Hence, the final reimbursible amount resulted into* ***minus amount.*** *Audit team verified the previous years Audit Certificates whether disallowance of the advance amount given to NIUM.*
Note2:	In Huzurabad ULB, the Gross expenditure is more than the 70% Grants released. Hence, the expenditure was restricted by disallowing extra expenditure of Rs.1,97,20,569/-. Hence, the total disallowances under Component "C" is 29492894/-+1,97,20,569=31464951 0/-

AUDIT OFFICER /GSS

ANNEXURE - "B"

STATEMENT SHOWING THE EXPENDITURE FIGURES BOOKED UNDER COMPONENTS "A", "B" "D"
IN MSU(HEAD OFFICE) TUFIDC AND EXPENDITURE ALLOWED DISALLOWED IN AUDIT FOR THE YEAR 2017-18

S.No.	Particulars	Expenditure details of MSU (HEAD OFFICE) Component."A" Amount (Rs.)	Component."B" Amount (Rs.)	Component."D" Amount (Rs.)	Expenditure details of TUFIDC Component."D" Amount (Rs.)	Total.Amount (Rs.)
	Details of Expenditure Reported to Audit					
	A4 - Urban Training	209382				209382
	B1 - Capacity Building		5418028			5418028
	B3 - GIS Mapping		37764141			37764141
	D1 - Monitoring & Evaluation				19733916	19733916
	D2 - Support to CDMA(MSU) & TUFIDC			11854840	2380501	14235341
	D3 - Sub-Project prepation			2477948	21600	2499548
1	Total of the Expenditure reported as per cash book and vouchers	209382	43182169	14332788	22136017	79860356
2	Expenditure particulars furnished to Audit	209382	43182169	14332788	21971922	79696261
3	Expenditure particulars verified by Audit	209382	43182169	14332788	21971922	79696261
4	Add: Details of Expenditure Disallowed in Audit during 2016-17 & previous years and now allowed	0	0	0	0	0
5	Less: Details of Expenditure of 2017-18 Disallowed in Audit:					0
5a	Expenditure particulars disallowed in Audit due to non-remittance of recoveries viz., Income Tax, GST, Labour Cess, Sienerage Charges, Supervision Charges (reimbursable in future years subject to production of proof of remittances)	0	0	0	0	0
5b	Expenditure particulars disallowed in Audit viz., EMD, FSD, SD, & Other Withheld amounts (reimbursable in future years subject to production of proof of payment)	0	0	0	0	0
5c	Adjustment of Mobilisation Advances and other work advances	8416408	4509712		0	12926120
5d	Expenditure particulars disallowed in Audit due to deficiencies in execution of works, incorrect provisions, imposition of fines & penalties			9711	0	9711
5e	Total of Expenditure disallowed in Audit {5a+5b+5c+5d}	8416408	4509712	9711	0	12935831
6	Expenditure allowed in Audit for Reimbursement {(3)+(4)-(5e)}	-8207026	38672457	14323077	21971922	66760430
7	Percentage of Expenditure eligible for reimbursement	100	100	100	100	100
8	Amount of Expenditure eligible for reimbursement	-8207026	38672457	14323077	21971922	66760430
	Note: In the year 2015-16, an amount of Rs.1.11 crore was advanced to NIUM. However, this amount was not adjusted for the years 2015-16 & 2016-17. In the present Audit, the balance unadjusted amount of Rs.8207026/- is disallowed. Due to this final figure resulted into minus figure.					

Audit Officer/GSS

TMDP - ULB-WISE EXPENDITURE UNDER COMPONENT-"C" VERIFIED AND ALLOWED IN AUDIT FOR REIMBURSEMENT FOR THE YEAR 2017-18

S.No.	Particulars	Armoor	Huzurabad	Jammikunta	Kollapur	Kothagudem	Malkajgiri	Manuguru	Medak	TOTAL
1	Funds in the form of GRANTS (70%) released by TUFIDC to ULBs upto 2017-18 as reported by TUFIDC	585240000	165000000	254900000	156000000	223900000	1556400000	153230000	213800000	**3308470000**
2	Cumulative Expenditure in ULBs upto 31.03.2018 as reported by TUFIDC	675660477	16430636l	203812463	113227659	126306972	1655171699	162453904	139037744	**3239977279**
3	Expenditure of ULB in 2017-18 as per Project Finance Statement (Total Releases made by TUFIDC to ULB)	0	120000000	257500000	120000000	183900000	181400000	0	168900000	**1031700000**
4	Opening Balance at ULB as on 01.04.2017	8321	45000000	21999625	35641000	40000000	377502278	130205	44899700	**565181129**
5	Funds Received from TUFIDC during 2017-18	218121000	120000000	257500000	120000000	183900000	181400000	59471294	168900000	**1309292294**
6	Total Funds available at ULB (4)+(5)	218129321	165000000	279499625	155641000	223900000	558902278	59601499	213799700	**1874473423**
7	Expenditure reported by ULB as per cash book and vouchers (AE.4 & AE.6)	182466505	**217195582**	224593496	112868659	126306972	437323605	29042804	139090972	**1468888595**
8	Expenditure particulars furnished to Audit by ULB	182466505	**184720569**	221213560	112868659	121377303	437323605	31292118	150380949	**1441643268**
9	Expenditure particulars verified by Audit	182466505	**184720569**	221213560	112868659	121377303	437323605	31292118	150380949	**1441643268**
10	Expenditure Eligible for Reimbursement subject to disallowances & %age of Reimbursement (least of the (1) or (9))	182466505	**165000000**	221213560	112868659	121377303	437323605	31292118	150380949	**1421922699**
11	Add: Details of Expenditure Disallowed in Audit in 2016-17 & previous years and now allowed	0	0	*Rs.14000000 adj of Mob.Adv. Included in Gross Expenditure*	0	*Rs.3000000/- adj of Mob.Adv. included in Gross Expenditure*	*Rs.78715155/- on various components allowed and Included in Gross Expenditure*	*Rs.572001/- allowed on remittance of 2016-17 items in 2017-18*	0	**0**
12	Less: Details of Expenditure of 2017-18 Disallowed by Audit:									
12a	Expenditure particulars disallowed by Audit due to non-remittance of recoveries viz., Income Tax, GST, Labour Cess, Sienerage Charges, Supervision Charges (reimbursable in future years subject to production of proof of remittance particulars)	6325	33478811	626911	3438467	4788111	0	0	65583	**42404208**
12b	Expenditure particulars disallowed by Audit viz., EMD, FSD, SD & Other Withheld amounts (reimbursable in future years subject to production of proof of payment)	1667499	15353128	12497691	8160745	7282638	16907347	2039787	11278571	**75187406**
12c	Adjustment of Mobilisation Advances and other work advances		7027318	0	13559503	0	150000000	0	0	**170586821**
12d	Expenditure particulars disallowed by Audit due to deficiencies in execution of works, incorrect provisions, imposition of fines & penalties	327000	928187	0	0	0	5043581	451738	0	**6750506**
12e	Total of Expenditure disallowed by Audit {12a+12b+12c+12d}	2000824	56787444	13124602	25158715	12070749	171950928	2491525	11344154	**294928941**
13	Expenditure allowed by Audit for Reimbursement {(10)-(12e)}	180465681	108212556	208088958	87709944	109306554	265372677	28800593	139036795	**1126993758**
14	**Expenditure eligible for reimbursement (85% of Col.(13))**	**153395829**	**91980673**	**176875614**	**74553452**	**92910571**	**225566775**	**24480504**	**118181276**	**957944694**

ANNEXURE - "C"

TMDP - ULB-WISE EXPENDITURE UNDER COMPONENT-"C" VERIFIED AND ALLOWED IN AUDIT FOR REIMBURSEMENT FOR THE YEAR 2017-18

NOTE1	*In Huzurabad ULB, the Gross Expenditure is more than the available funds due to adjustment of available funds to net payments instead of affecting statutory recoveries. In Huzurabad, the gross expenditure is more than the Grants released, hence, the grants portion only has been considered for reimbursement*
NOTE2	*In Jammikunta, Kothagudem & Malkajgiri ULBs, the Mobilisation Advances given in 2016-17 which were disallowed in previous Audit, were now adjusted in 2017-18 in Gross Expenditure. In Malkajgiri ULB the unremitted statutory recoveries of 2016-17 which were disallowed in previous Audit, were now remitted in 2017-18 and taken to gross expenditure.*

AUDIT OFFICER/GSS

ANNEXURE-"D"

TMDP - STATEMENT SHOWING THE WORKINGS LIMITING THE EXPENDITURE UNDER 70% GRANT PORTION IN RESPECT OF ULBs UNDER COMPONENT "C" FOR 2017-18

Name of the ULB	Project Cost				Funds in the form of GRANTS (70%) released by TUFIDC to ULBs upto 2016-17	Funds in the form of GRANTS (70%) released by TUFIDC to ULBs in 2017-18	Funds in the form of GRANTS (70%) released by TUFIDC to ULBs upto 2017-18 ((6)+(7))	Cumulative expenditure reported by TUFIDC upto March 2018	Expenditure particulars verified by Audit for the year 2017-18	Expenditure Eligible for Reimbursement subject to Dissallowances & %age of Reimbursement
	Total Cost	70% Grant	20% Loan	10% ULB Contri-bution						
`1	`2	`3	`4	`5	`6	`7	`8	`9	`10	`11
Armooru	836052000	585236400	167210400	83605200	585240000	0	585240000	675660477	182466505	182466505
Malkajgiri	2229000000	1560300000	445800000	222900000	1556400000	0	1556400000	1655171699	437323605	437323605
Manuguru	231900000	162330000	46380000	23190000	153230000	0	153230000	162453904	31292118	31292118
Medak	431870000	302309000	86374000	43187000	44900000	168900000	213800000	139037744	150380949	150380949
Jammikunta	364240000	254968000	72848000	36424000	36000000	218900000	254900000	203812463	221213560	221213560
Kothagudem	408090000	285663000	81618000	40809000	40000000	183900000	223900000	126306972	121377303	121377303
Kollapur	379870000	265909000	75974000	37987000	36000000	120000000	156000000	113227659	112868659	112868659
Huzurabad	414610000	290227000	82922000	41461000	45000000	120000000	165000000	164306361	184720569	165000000
TOTALS	5295632000	3706942400	1059126400	529563200	2496770000	811700000	3308470000	3239977279	1441643268	1421922699

AUDIT OFFICER/GSS

ANNEXURE - E

Abstract of Disallowances in Audit for the year 2017-18

Sum of Amount Disallowed (Rs.)	Column Labels									
Row Labels	Armoor	Huzurabad	Jammikunta	Kollapur	Kothagudem	Malkajgiri	Manuguru	Medak	TMDP-MSU	Grand Total
DME-SMET				2797				11406		14203
Fines & Penalties						20000				20000
FSD	68716	15353128	12497691	8160745				11278571		47358851
Income Tax	6325	4094167	49085							4149577
Labour Cess		2047083								2047083
NAC		204709		89316	121377					415402
Security Deposit	480000									480000
Seinerage Charges		55600		6124				54177		115901
Unadjusted Advances		7027318		13559503		150000000			12926120	183512941
VAT-GST		27077252	577826	3340230	4666734					35662042
Withheld Amounts	1118783				7282638	16907347	2039787			27348555
Work Items	327000	928187				5023581	451738		9711	6740217
Grand Total	**2000824**	**56787444**	**13124602**	**25158715**	**12070749**	**171950928**	**2491525**	**11344154**	**12935831**	**307864772**

Audit Officer/GSS

ANNEXURE -"F"

TMDP - DETAILS OF AMOUNTS DISALLOWED IN AUDIT FOR THE YEAR 2017-18

Type of Dissallowance	Name of the Entity	Compo-nent	Amount Disallowed (Rs.)	Reference of AE No.	Remarks
Work Items	Armoor	C	327000	AE.20	Vehicle hire charges of Commissioner of Armoor Municipality not allowed under TMDP
Work Items	TMDP-MSU	D	9711	AE.47	Meerting of expenditure on Arrears of Salary from TMDP funds
Work Items	Manuguru	C	451738	AE.15	Payment of Supervision Charges to Contractor
Work Items	Huzurabad	C	791316	AE.17	Excess Payment made though restricted in M.Book
Work Items	Huzurabad	C	136871	AE.30	excess Payment due to variation in rates
Unadjusted Advances	TMDP-MSU	B	3509712	AE.25	Unadjusted Advance
Unadjusted Advances	TMDP-MSU	B	1000000	AE.49	Unadjusted Advance
Unadjusted Advances	Malkajgiri	C	150000000	AE.39	Depost amount to GHMC not adjusted to work
Unadjusted Advances	Kollapur	C	13559503	AE.35	Unadjusted Mobilisation advance
Unadjusted Advances	Huzurabad	C	7027318	AE.27	Out of Rs.2.00 crore, Rs.1,29,72,682/- was adjusted in 2017-18 in RA bill.3, hence balance Mobilisation advance dissallowed
FSD	Armoor	C	68716	AE.43	FSD is not final expenditure
FSD	Kollapur	C	8160745	AE.35	FSD is not final expenditure
FSD	Medak	C	11278571	AE.42	FSD is not final expenditure
FSD	Huzurabad	C	15353128	AE.26	Available funds were adjusted to 'net payment' without affecting recoveries
Security Deposit	Armoor	C	480000	AE.21	Payment of Security Deposit to Electricity Department
Withheld Amounts	Manuguru	C	2039787	AE.14	Retention Money
Withheld Amounts	Armoor	C	1118783	AE.43	Withheld from RA bills
Withheld Amounts	Kothagudem	C	7282638	AE.16	Retention Money
Income Tax	Armoor	C	6325	AE.43	Recovery not remitted
Income Tax	Huzurabad	C	4094167	AE.26	Available funds were adjusted to 'net payment' without affecting recoveries
NAC	Kothagudem	C	121377	AE.22	Recovery not remitted
NAC	Huzurabad	C	204709	AE.26	Available funds were adjusted to 'net payment' without affecting recoveries
VAT-GST	Kothagudem	C	4666734	AE.22	Recovery not remitted
VAT-GST	Kollapur	C	3340230	AE.35	GST recovered but not remitted
Labour Cess	Huzurabad	C	2047083	AE.26	Available funds were adjusted to 'net payment' without affecting recoveries
Seinerage Charges	Medak	C	54177	AE.42	Recoveries not remitted
Seinerage Charges	Huzurabad	C	55600	AE.26	Available funds were adjusted to 'net payment' without affecting recoveries
DME-SMET	Medak	C	11406	AE.42	Recoveries not remitted

ANNEXURE -"F"

TMDP - DETAILS OF AMOUNTS DISALLOWED IN AUDIT FOR THE YEAR 2017-18

Type of Dissallowance	Name of the Entity	Compo-nent	Amount Disallowed (Rs.)	Reference of AE No.	Remarks
Withheld Amounts	Malkajgiri	C	16907347	AE.50	Retention Money
Fines & Penalties	Malkajgiri	C	20000	AE.50	Penalty on Contractor for non-taking of precautionary measures
NAC	Kollapur	C	89316	AE.51	Recovery not remitted
Seinerage Charges	Kollapur	C	6124	AE.51	Recovery not remitted
DME-SMET	Kollapur	C	2797	AE.51	Recovery not remitted
FSD	Jammikunta	C	12497691	AE.53	FSD is not final expenditure
VAT-GST	Jammikunta	C	577826	AE.53	Recovery not remitted
Work Items	Malkajgiri	C	1183264	AE.54	Insurance component in 9th Part bill treated as reduction in expenditure in Audit
Work Items	Malkajgiri	C	2750224	AE.54	Rock Recoverry component in 9th Part bill treated as reduction in expenditure in Audit
Work Items	Malkajgiri	C	210258	AE.54	Insurance component in 10th Part bill treated as reduction in expenditure in Audit
Work Items	Malkajgiri	C	640217	AE.54	Withheld for want of supplementary agreement
Unadjusted Advances	TMDP-MSU	A	8416408	AE.52	Out of Advance of Rs.11100000/- to NIUM in 2015-16, and unadjusted advance was not dissallowed in 2015-16 & 2016-17. Hence, dissallowed now.
Income Tax	Jammikunta	C	49085	AE.6	Recovered IT not remitted before 31.03.2018.
Work Items	Malkajgiri	C	239618	AE.38	Incorrect provision towards insurance component
VAT-GST	Huzurabad	C	27077252	AE.55	Available funds were adjusted to 'net payment' without affecting recoveries
		TOTAL	307864772		

AUDIT OFFICER/GSS

ANNEXURE - "G"

STATEMENT SHOWING THE DETAILS OF AMOUNTS DISSALLOWED IN 2016-17 AND ALLOWED NOW IN 2017-18 UNDER COMPONENT - "C"

Name of the Entity	Component	Description of Item	Amount Dissallowed in 2016-17	Amount now allowed in 2017-18	Balance Amounts of 2016-17 pending adjustment due to non-adjustment of advances or non-remittance of recoveries
Jammikunta	C	Mobilisation Advance	14000000	14000000	0
Kothagudem	C	Mobilisation Advance	20000000	3000000	17000000
Malkajgiri(1a)	C	Mobilisation Advance	10736372	10736372	0
Malkajgiri(1a)	C	Non-remittance of Recoveries	2744217	2744217	0
Malkajgiri(1a)	C	Withheld Amounts	7307324	7307324	0
Malkajgiri(1a)	C	Liquidated Damages	840000	0	840000
Malkajgiri(1a)	C	Further Security Deposit	6651840	0	6651840
Malkajgiri(1b)	C	Mobilisation Advance	56005913	56005913	0
Malkajgiri(1b)	C	Liquidated Damages	1242000	0	1242000
Malkajgiri(1b)	C	Non-remittance of Recoveries	1921329	1921329	0
Malkajgiri(1b)	C	Withheld Amounts	7500000	0	7500000
Malkajgiri(1b)	C	Further Security Deposit	13233932	0	13233932
Manuguru*	C	Unencashed Cheques	733295	572001	161294
TMDP-MSU (Advance to NIUM in 2015-16)	*A*	*Unadjusted advances*	*8416408*	*209382*	*8207026*
TOTAL			**151332630**	**96496538**	**54836092**
Note: The allowed amont of Rs.96496538/- was included in ULB-wise gross expenditure					

AUDIT OFFICER/GSS

Booked Figures of AG (A&E) Under Telangana Municipal Development Project for the Year 2017-18

(Rupees in lakhs)

Sl. No.	Head of Account	As per SOE	As per O/o AG (A&E)	Variation
	Detailed Heads of Account:			
	2217-80-191-03-22-310-312	**8116.90**	**8116.90**	**NIL**

The funds amounting to Rs.8116.90 transferred from PD A/c and credited to the bank account of TMDP.

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Audit Officer/GSS

TELANGANA MUNICIPAL DEVELOPMENT Project (IBRD Loan 7816 IN)
PROJECT FINANCIAL STATEMENTS
SOURCES AND USES OF FUNDS
FOR THE PERIOD FROM APRIL 1, 2017 TO MARCH 31, 2018

	Description	Expenditure for the current year (2017-18)
	1	2
Sources of Funds		
1	**Opening Balance**	**3379,77,568**
1.1	MSU	1885,51,440
1.2	TUIF	1494,26,128
2	**Receipt by MSU/APUIF from the PD Account of C&DMA**	**9016,90,000**
2.1	Receipt by MSU from the PD Account of C&DMA	
2.2	Receipt by TUIF from the PD Account of C&DMA	9016,90,000
2.3	Received by TUIF from the C&DMA towards SFC grants for 10% ULB share	
3	**Other Receipts**	**91,96,011**
3.1	By MSU from APURMSP	
3.2	By TUIF from APURMSP	
3.3	By MSU as interest, EMD etc	45,79,393
3.4	By TUIF as interest etc	46,16,618
4	Funds expended by TUFIDC	1,62,797
	Total Sources of Funds (I= 1+2+3+4)	**12490,26,376**
Uses of Funds		
A	**State Policy & Institutional Development Support**	**2,09,382**
A.1	Study for modernisation of planning legisattion	
A.2	Urban Finance related studies (including for TUFIDC)	
A.3	Urban Training Academy (works)	
A.4	Urban Training Academy (studies)	2,09,382
A.5	Studies for preparation of a Urban Poor Program	
A.6	Study for preparation of a Urban PPP framework	

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TELANGANA MUNICIPAL DEVELOPMENT Project (IBRD Loan 7816 IN)
PROJECT FINANCIAL STATEMENTS
SOURCES AND USES OF FUNDS
FOR THE PERIOD FROM APRIL 1, 2017 TO MARCH 31, 2018

	Description	Expenditure for the current year (2017-18)
	1	2
B	**Capacity Enhancement**	**431,82,169**
B.1	Capacity Building for professionalisation of urban management & operations including related to urban poor programs +egovernance	54,18,028
B.2	TA for institutional & Financial Improvements at ULBs	
B.3	GIS Mapping for select ULBs	377,64,141
C	**Urban Infrastructure Investment (details in Schedule I)**	**10317,00,000**
C.1	Sub-loans & Sub-grants to ULBs for urban services	10317,00,000
C.2	Any other expenditure under Component C	
D	**Project Management TA**	**364,68,805**
D.1	Monitoring & Evaluation System (CDMA/TUFIDC)	197,33,916
D.2	Support to CDMA & TUFIDC for management	142,35,341
	MSU - 1,18,54,840 TUIFIDC - 23,80,501	
D.3	Sub-project preparation & implementation support to ULBs (under CDMA) MSU - 24,77,948 TUFIDC - 21,600	24,99,548
	Total Uses of Funds (II=A+B+C+D)	**11115,60,356**
	Grants to ULBs for Urban Services out of SFC grants	
	Closing Balance (III=I-II)*	**1374,66,020**

Project Director
MSU-TMDP

*	**Break up details in respect of the Closing Balance under coloumn-2 Current year**			**1374,66,020**
	MSU Current A/c - Rs.1880/- Savings Bank Account - Rs.88,34,75,88/-		883,49,468	
	MSU (In Fixed Deposits)			
	MSU - Advances Paid :		92,07,026	
	i) NIUM	8207026		
	ii) Regional Centre for Urban & Environmental Studies	1000000		
	MSU - Total Closing Balance		**975,56,494**	
	TUIF - Closing Balance		**399,09,526**	

Project Director,
MSU-TMDP

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TELANGANA MUNICIPAL DEVELOPMENT PROJECT (IBRD Loan 7816 IN)
PROJECT FINANCIAL STATEMENTS

RECONCILIATION OF CLAIMS TO TOTAL APPLICATION OF FUNDS
FOR THE PERIOD FROM APRIL 1, 2017 TO MARCH 31, 2018

Schedule	Description	Amount in Rs.
A	Gross expenditure incurred during FY 2017-18	11115,60,356
B	Expenditure not eligible for Bank reimbursement	-
C (A-B)	Gross expenditure eligible for Bank Reimbursement	11115,60,356
D	Net Expenditure eligible for Bank reimbursement (after application of disbursement percentage)	9568,05,356
E	IUFRs submitted (provide details)	9568,05,356
F(D-E)	Expenditures not claimed (if any)	-

Details of IUFRs submitted during the period F.Y 2017-18

Date of submission of IUFR to CAAA	Period of IUFR	Gross Amount in Rs.	Net Amount in Rs.
29.05.2017	April, 2017	5095146	5095146
30.08.2017	May, 2017	2854471	2854471
06.09.2017	June, 2017	25126845	25126845
19.09.2017	July, 2017	20734892	20734892
13.11.2017	August, 2017 & September, 2017	198971989	169721989
13.12.2017	October, 2017 & November, 2017	376441119	320356119
25.01.2018	December, 2017	63745462	55195462
10.02.2018	January, 2018	1711538	1711538
31.03.2018	February, 2018	1814124	1814124
15.05.2018	March, 2018	415064770	354194770
	Total	**11115,60,356**	**9568,05,356**

Project Director,
MSU-TMDP
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Telangana Municipal Development Project (TMDP)			
Project Financial Statement			
TUFIDC			
SCHEDULE - I SOURCES AND USES OF FUNDS FOR PART C			
FOR THE PERIOD FROM APRIL 01.04.2017 to March 31 2018			
Description		Expenditure for the Current Year	
Sources of Funds		Amount in Crores	
a	Opening Balance of Funds with TUFIDC (in Bank accounts)	12.6428	
b	Funds transferred from MSU to TUFIDC	90.169	
c	Funds Released by APMDP before bifurcation of AP State (2013-14)	43.04	
d	Interest received from CLTD	0.4617	
		146.3135	
Uses of Funds			
	Urban Investment through TUFIDC		
1	Total amount of Sub Loans to ULBs (as per list attached below)	3.86	
2	Total amount of Sub Grants to ULBs (as per list attached below)	99.31	
3	Funds Released by APMDP before bifurcation of AP State (2013-14)	43.04	
4	Any Other expenditure under Component C		
	Total Uses of Funds II =(1+2+3+4)	146.21	
	Closing Balance of Funds With TUFIDC (In Bank account)	0.1035	
Urban Investment through TUFIDC		**Funds released by TUFIDC**	
S.No	**Name of the ULB**	**Sub Loan**	**Sub Grant**
1	Manuguru	0.00	0.00
2	Malkajigiri (HMWSSB)	0.00	18.14
3	Armmor	0.00	0.00
4	Jammikunta	3.86	21.89
5	Kothagudem	0.00	18.39
6	Kollapur	0.00	12.00
7	Medak	0.00	16.89
8	Huzarabad	0.00	12.00
	Total	**3.86**	**99.31**

Finance Manager
TUFIDC