

Date

**Date: 19-10-2015**

To  
The Member Secretary,  
M/s. Andhra Pradesh Pollution Control Board,  
Hyderabad.

### AUDIT REPORT

We have audited the attached project financial statements for the period ending 31<sup>st</sup> March, 2015 of M/s. Andhra Pradesh Pollution Control Board pertaining to the "WORLD BANK assisted capacity building and industrial pollution management project (CBIPMP)" under Loan no.7294-IN/Credit no.4755-IN. These financial statements are the responsibility of the Board's Management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted the audit as per the agreed accounting procedures and in accordance with the consistently applied accounting standards. These standards require that we plan and perform our audit to obtain a reasonable assurance whether the financial statements are free of material misstatements and whether there are any material deviations from these standards. Our audit includes examining on test basis, evidence supporting the amounts and the disclosure made in the financial statements. We believe that our audit provides a reasonable basis for your opinion.

We have verified the sources of funds under the project (CBIPMP) received by M/s. Andhra Pradesh Pollution Control Board and the utilization thereof as seen from the books of accounts, records and other documents produced before us. In our opinion and to the best of our knowledge and belief and as per the explanation offered to us, we report that:

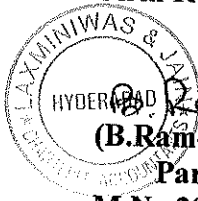
- A. The statement of sources and uses of funds under the project (CBIPMP) gives a true and fair view of the transaction of the board in so far as it relates to the project for the period ended 31<sup>st</sup> March, 2015.
- B. We have satisfied ourselves after thorough verification that the Unaudited Quarterly Financial Reports (UQFRS) on the basis of which withdrawals from the funds have been made by the board during the period under audit as submitted before us, together with procedures and internal controls involved in their preparation can be relied upon to support the related withdrawals.
- C. We have satisfied ourselves after thorough verification and after due assessment of the board's compliance with the provisions of the letter of agreement that the provision thereof have been properly complied with by the board, especially in relation to such provision dealing with accounting and financial matters including inter-allied all the funds received and expended under the project and that such funds have been utilized to procure goods and services in accordance with financial agreements, with due attention to the economy, efficiency and effectiveness and only for the purpose for which the financing was made.



Date

- D. We are of the opinion that the expenditures charged to the projects have been correctly classified and determined with reference to the legal agreements and that all necessary supporting documents, records and accounts have been properly kept in respect of all project activities and that clearly linkage do exist between the accounting records including accounting books and the project financial statements and that there are no material deviations from the agreed accounting procedures and consistently applied accounting standards in these accounting records/books and the project financial statements.

**For Laxminiwas & Jain**  
**Chartered accountants**  
**Firm Registration No:001859S**



*B. Ramesh Kumar*  
**(B. Ramesh Kumar)**

**Partner**  
**M.No.200304**

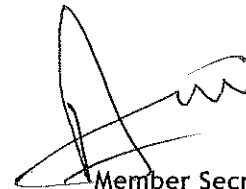
**CBIPMP-A.P.POLLUTION CONTROL BOARD**  
**CAPACITY BUILDING FOR INDUSTRIAL POLLUTION MANAGEMENT PROJECT**  
**SANATHNAGAR, HYDERABAD-500 018**  
**Statement of Receipts and Payments for the period from 1-4-2014 to 31-3-2015**

RECEIPTS	in Rs.	PAYMENTS	in Rs.
		<b>(A) Strengthening of Environmental Institutions: Building Capacity for addressing pollution remediation</b>	
Opening Balance		Inventorisation and Characterisation of HW Categories (TS)	4464267.00
Andhra Bank	98056762.99	Impact of MSW dumpsites on Environment (TS)	1353039.00
Imprest Advance	10000.00	Lab Refurbishing (Services)	1516860.00
Other Advance	3362252.00	Lab Refurbishing (Works)	37612105.00
Interest Received on Savings A/c	3240414.00	Business Strategy for Environmental Compliance Assistance Centre	1146080.00
Earnest Money Deposit/Bid security	3100500.00		
		<b>(B) Investments in Priority Remediation and Environmental Improvements: Rehabilitation of the abandoned contaminated sites</b>	
Sale of Tender Schedule	90000.00	NoorMohammad Kunta (Services-RHWS)	0.00
		Municipal Solid Waste (Services - RMSWS)	3229649.00
		<b>(C) Project Management</b>	
		Establishment & Consultancy Services	4013741.00
		Incremental Operational costs	2201641.50
		Bid Security Refunded	3100500.00
		Imprest Advance	10000.00
		Closing Balance (Andhra Bank - Sanath Nagar Branch)	49212046.49
	<b>107859928.99</b>		<b>107859928.99</b>

Place:Hyderabad

Date:

As per our report of even date For M/s.Laxminiwas & Jain  
Chartered Accountants Firm Registration No.001859S



Member Secretary(TS)



Member Secretary (AP)

**FOR LAXMINIWAS & JAIN**  
Chartered Accountants  
Firm Registration No: 001859 S

*B. Ramesh Kumar* 19/10/15  
**(B. RAMESH KUMAR)**  
PARTNER  
M.No: 200304

**CBIPMP-A.P.POLLUTION CONTROL BOARD**  
**CAPACITY BUILDING FOR INDUSTRIAL POLLUTION MANAGEMENT PROJECT**  
**SANATHNAGAR, HYDERABAD-500 018**  
**Statement of Sources and Uses of Funds**

Annexure I  
(Rs. in Lakhs)

S.No	Particulars	Current Year	Previous Year	Project till date
A (1+2)	Sources of Funds	1047.59	1541.29	2751.38
1	Opening Balance (Incl Advances)	1014.29	1391.82	0.00
2	Receipts - Funds withdrawn from GOI/GOAP and APPCB through budget (under Externally Aided Project)	32.40	145.64	2746.65
3	Bid Security		3.83	3.83
4	Sale of Tender Schedule	0.90	0.00	0.90
B	Uses of funds	1047.59	1541.29	2751.38
(3+4+5)				
3	APPCB Expenditures by Project Components (A+B+C)	555.37	527.00	2259.16
	A) strengthening of Environmental Institutions: Building Capacity for addressing Pollution remediation	460.92	397.85	1528.78
	B) Investments in priority Remediation and Environmental Improvements: Rehabilitation of orphan hazardous waste sites and Municipal Dump Sites	32.30	44.9	393.19
	C) Project Management	62.15	84.25	337.19
4	Amounts advances	0.10	33.72	0.10
	Cash/Bank	492.12	980.57	492.12
5	Closing Balances (Including advances, if any)	492.22	1014.29	492.22

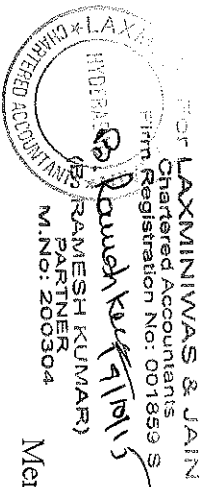
**Notes:**

- 1) The financial statement is prepared on a cash basis of accounting as per provisions of the Financial Rules and codes applicable.
- 2) The above figures will be based on monthly/quarterly abstract accounts prepared by the accounts compiling officers, duly reconciled by the respective DDO's with detailed of unreconciled amounts to be furnished

Place: Hyderabad

Date:

As per our report of even date For M/s.Laxminiwas & Jain Chartered Accountants Firm Registration No.001859S



*[Signature]*  
Member Secretary (TS)

*[Signature]*  
Member Secretary (AP)

**CBIPMP-A.P.POLLUTION CONTROL BOARD**  
**CAPACITY BUILDING FOR INDUSTRIAL POLLUTION MANAGEMENT PROJECT**  
**SANATHNAGAR, HYDERABAD-500 018**

Statement on reconciliation of claims with the audited expenditure for Financial Year 2014-15

Rs. in Lakhs

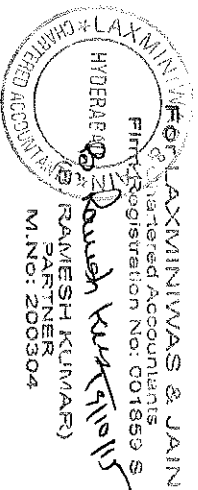
Schedule	Description	Expenditures
A	Gross expenditure incurred during Financial Year 2014-15	555.37
B	Expenditure not eligible for Bank reimbursement (if any)	0.00
C(A-B)	Gross expenditure eligible for Bank Reimbursement (if any)	555.37
D	Net expenditure eligible for Bank reimbursement (after application of disbursement percentage i.e., 85%)	472.06
E	IUFrs submitted	472.06
F(D-E)	Expenditure not claimed/Excess claims (if any)	

The above figures are inserted by the bank based on the information provided in the audit certificate F.Y.2014-15. MOEF from next Financial year has to ensure that the expenditure figures are appropriately reported in this statement and the statement is certified in the audit.

Place:Hyderabad

Date:

As per our report of even date For M/s.Laxminiwas & Jain  
Chartered Accountants Firm Registration No.001859S



Member Secretary(TS)

Member Secretary (AP)



**Capacity Building for Industrial Pollution Management Project  
Paryavara Bhavan – A3, Industrial Estate, Sanathnagar  
Hyderabad – 500 018.**

E\_mail : cao@pcb.ap.gov.in  
cbipmpap.wb@gmail.com

Phone:040-23887500

Lr.No.APPCB/Accts/WB/Audit /2015

Annexure – III

dt. -09-2015.


**The Management Assertion letter.**

To,  
M/s.Laxminiwas & Jain,  
Chartered Accountants,  
Nampally,  
Hyderabad.


Sir,


This assertion letter is provided in connection with your audit of the financial statements of the Capacity Building for Industrial Pollution Management Project for the financial year ended 2014-15. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the cash basis of accounting followed by the Government of India, and we confirm, to the best of our knowledge and belief, the following representations made to you during audit:


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

  
Project Director, CBIPMP  
& Member Secretary, APPCB.

  
Executive Officer  
Senior Environmental Engineer (TS)

  
Senior Executive Officer.  
(Chief Environmental Engineer)(AP)

  
Financial Officer  
Accounts Officer (TS)

  
Senior Financial Officer,  
Chief Accounts Officer (AP)

Audited Financial Reports  
ANDHRA PRADESH POLLUTION CONTROL BOARD  
CBPM PROJECT

Report for the period from 1-4-2010 to 31-3-15  
IBRD LOAN NO. 7924-IN/IDA FINANCING NO.4755-IN

Particulars	For the period from 1-4-2010 to 31-3-2011	For the period from 1-4-2011 to 31-3-2012	For the period from 1-4-2012 to 31-3-2013	For the period from 1-4-2013 to 31-3-2014	For the period from 1-4-2014 to 31-3-2015	Cumulative
						Project till date 31-3-2015
Sources						
State Government Funds (15%)	74.82	80.37	296.89	97.02	0.00	549.10
Government of India Funds (85%)	339.00	539.16	1182.00	0.00	0.00	2060.16
Other Source (Interest on Bank Savings Account)	0.00	9.97	46.11	47.87	32.40	136.35
Other Income	0.00	0.29	0.00	0.75	0.90	1.94
Earnest Money Deposit/Bid Security	0.00	0.00	0.00	3.83	0.00	3.83
<b>Total Sources (A)</b>	<b>413.82</b>	<b>629.79</b>	<b>1525</b>	<b>149.47</b>	<b>33.30</b>	<b>2751.38</b>
Expenditures by Component						
1 Strengthening of Environmental Institutions: Building Capacity for addressing Pollution remediation						
A. Technical Support	0.00	0.00	10.89	26.29	58.17	95.35
B. Laboratory equipment	0.00	163.58	457.87	26.02	0	647.47
A. Lab Refurbishing	0.00	0.00	11.24	290.34	391.28	692.86
C. Environmental Compliance Assistance Centre	0.00	0.00	25.58	36.81	11.46	73.85
D. Training	0.00	0.00	0.85	18.4	0.00	19.25
E. Upgrading Information Management	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Total 1</b>	<b>0.00</b>	<b>163.58</b>	<b>506.43</b>	<b>397.86</b>	<b>460.91</b>	<b>1528.78</b>
2 Investments in Priority Remediation and Environmental Improvements: Rehabilitation of abandoned contaminated sites						
A. Remediation of Hazardous Waste Site	0.00	45.09	135.53	27.48	0.00	208.10
B. Remediation of Municipal Solid Waste Site	0.00	28.65	106.72	17.42	32.30	185.09
<b>Sub Total 2</b>	<b>0.00</b>	<b>73.74</b>	<b>242.25</b>	<b>44.90</b>	<b>32.30</b>	<b>393.19</b>
3 Project Management						
A. Establishment/ Consultancy Services	2.76	25.63	34.15	38.45	40.14	141.13
B. Goods and Equipments	0.30	30.84	0.00	0.00	0.00	31.14
C. Domestic / Abroad Training / Study Tour	0.00	0.00	0.00	0.00	0.00	0.00
D. Incremental Operating Costs	41.84	32.59	22.68	45.79	22.02	164.92
E. Monitoring and Evaluation	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub total 3</b>	<b>44.90</b>	<b>89.06</b>	<b>56.83</b>	<b>84.24</b>	<b>62.16</b>	<b>337.19</b>
<b>Total (1+2+3)</b>	<b>44.90</b>	<b>326.38</b>	<b>805.51</b>	<b>527.00</b>	<b>555.37</b>	<b>2259.16</b>

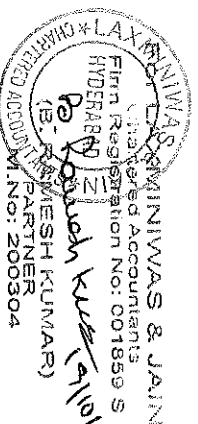
Central Share 85% 1920.29

State Share 15% 338.87

Place: Hyderabad

Date:

As per our report of even date For M/s. Laxminivas & Jain  
Chartered Accountants Firm Registration No.001859S



Member Secretary (TS)

Member Secretary (AP)

UTILISATION CERTIFICATE up to 31-03-2015.

FOR THE SCHEME: CBIPM Project.

Sl. No.	Letter. No. and date	Amount Rs.
1.	Central Govt. share sanctioned and released vide Sanction order No.MoEF-40-40/2011-HSMD (EAP) dated 30-12-2010	3,39,00,000.00
2	Central Govt. share sanctioned and released vide Sanction order No.MoEF-40-40/2011-HSMD (EAP) dated.29-12-2011.	4,77,00,000.00
3	Central Govt. share sanctioned and released vide Sanction order No.MoEF-40-40/2011-HSMD (EAP) dated.20-3-2012.	62,16,000.00
	Central Govt. share sanctioned and released vide Sanction order No.MoEF-40-40/2011-HSMD (EAP) dated.10-09-2012.	11,82,00,000.00
4	Other receipts (Bank Interest)	1,11,33,339.91
	<b>Total (A)</b>	<b>21,71,49,339.91</b>
5	State Govt. share transferred by APPCB on 31-3-2011 to Andhra Bank, Sanathnagar Branch, Hyderabad.	74,82,000.00
6	State Govt. share transferred by APPCB on 31-3-2012 to Andhra Bank, Sanathnagar Branch, Hyderabad.	80,37,000.00
7	State Govt. share transferred by APPCB on 31-3-2013 to Andhra Bank, Sanathnagar Branch, Hyderabad.	2,96,89,000.00
8	State Govt. share transferred by APPCB on 31-3-2014 to Andhra Bank, Sanathnagar Branch, Hyderabad.	97,02,000.00
9	Other receipts (Bank Interest)	25,03,278.18
10	Other receipts (Sale of Tender Schedules)	1,93,000.00
11	Bid Security/Earnest Money Deposit	3,83,120
	<b>Total(B)</b>	<b>5,79,89,398.18</b>
	<b>Total (A+B)</b>	<b>27,51,38,738.00</b>

Certified that out of Rs.2171.49 lakhs (Central Share) of Grants-in-Aid released (including Bank interest) upto 2014-15 in favour of APPCB under the Department of Environment, Govt. of Andhra Pradesh through RTGS transfers to Andhra Bank S.B. Account No. 052610100025954 given in the margin, a sum of Rs.1920.29 lakhs (Rupees nineteen crores twenty lakhs and twenty nine thousand only) has been utilized upto 31-3-2015 and the balance of unutilized amount of Rs. 251.20 lakhs (Rupees two crores fifty one lakhs and twenty thousand only) will be utilized during the financial year 2015-16.

It is also certified that a sum of Rs.579.89 lakhs (Rupees five crores seventy nine lakhs and eighty nine thousand only) being the State Share (including Bank interest and other receipts) has also been contributed from the State Government / A.P.Pollution Control Board and Utilized Rs.338.87 lakhs along with the Central Share expenditure of Rs.1920.29 lakhs upto 31-3-2015.

Certified that I have satisfied myself that the conditions, on which the grant-in-aid was sanctioned, have been duly fulfilled on that, and I have exercised the following Checks to see that the money was actually utilized for the purpose for which it was sanctioned.

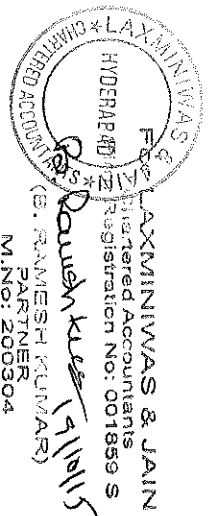
**Kinds of Checks exercised:**

1. Procurement procedure followed as per norms.
2. Any other check required as per Financial Guidelines.

Place: Hyderabad

Date:

As per our report of even date For M/s.Laxminiwas &  
Jain Chartered Accountants Firm Registration  
No.001859s



Member Secretary (TS)

PDI/ Member Secretary (AP)



**CBIPM PROJECT- A.P.POLLUTION CONTROL BOARD**  
Component and Category Wise expenditure from 1-4-2014 to 31-3-2015

Cross reference	Component	Expenditure for 2014-15
	<b>Strengthening of Environmental Institutions: Building Capacity for addressing pollution remediation</b>	
Services 1A1.1	<i>Inventorisation and Characterisation of HW Catg.</i>	4464267.00
Services 1A1.5	<i>Impact of MSW dumpsites on Environment</i>	1363039.00
	<b>Subtotal</b>	<b>5817306.00</b>
Services	<b>Laboratory Refurbishing</b>	
	3rd Party Supervision	1516860.00
Works	Lab refurbishing works of central lab	37612105.00
	<b>Subtotal</b>	<b>39128965.00</b>
ECAC	Business Strategy for Environmental Compliance Assistance Centre	1146080.00
	<b>Subtotal</b>	<b>1146080.00</b>
services	Detailed reassessment/ engr. Study, bid document prep., and supervision in Kadapa site	3229649.00
	<b>sub Total</b>	<b>3229649.00</b>
	<b>314 Incremental Operational Cost (PM)</b>	
IOC	Stationery, supplies & miscellaneous	160731.00
IOC	Vehicles & Transport including maintenance (Rent)	601797.00
IOC	Procurement Committee & costs	6497.00
IOC	Steering Committee Meeting costs	26683.00
IOC	TA & DA for PIU	733147.50
IOC	Website	
IOC	Telephones & Internet (recurring cost)	61982.00
IOC	Advertisements/Tender notifications	478320.00
	Audit Fee	133484.00
	<b>SubTotal</b>	<b>2201641.50</b>
	<b>Staff &amp; consultants</b>	
	<b>311 Establishment/Consultancy Services (PM)</b>	
Services	AP-Noor Mohammed Kunta - Exec Engineer (Full time)	1056175.00
Services	AP-Noor Mohammed Kunta - Dy.Exec Engineer (Full time)	508200.00
Services	Monitoring and Evaluation Specialist	593441.00
services	Procurement Assistant - Consultant	369054.00
services	FM Specialist - Consultant (Accounts Officer)	
services	FM Assistant - (Accountant)	285318.00
services	Technical Assistant (7 DEOs)	693353.00
services	Social & Communication officer	508200.00
	<b>Sub Total</b>	<b>4013741.00</b>
	<b>Grand Total</b>	<b>55537382.50</b>

Place:Hyderabad

Date:

As per our report of even date For M/s.Laxminivas & Jain Chartered Accountants Firm Registration No.0018595

**FOR LAXMINIVAS & JAIN**  
Chartered Accountants  
Firm Registration No: 001859 S

*B. Ravish Kumar*  
**(B. RAAMESH KUMAR)**  
PARTNER  
M.No: 200304

*[Signature]*  
Member Secretary(TS)

*[Signature]*  
Member Secretary (AP)