

M. THOMAS & Co.,

Partner **V. FRANCIS** B.Sc., F.C.A.,

Chartered Accountant

14, Visuvasapuri 4th Street

Gnanaolivupuram

Madurai - 625 016.

Mobile : 99439 11633

E-mail : vfrancisveda@gmail.com

To,

**The Project Director (Dam Rehabilitation Directorate) & (DRIP),
Central Water Commission,
New Delhi.**

Opinion

We have audited the accompanying special purpose financial statements of **<DAM REHABILITATION AND IMPROVEMENT PROJECT CIRCLE (DRIP-I)** (the Project) financed by the International Development Association (IDA) under Credit/Loan IN-7943 IN & IDA No: 4787 IN and implemented by **Tamil Nadu Generation and Distribution Corporation Limited, Chennai (Superintending Engineer/Civil, Dam Rehabilitation and Improvement Project Circle/K.Pudur, Madurai 625007¹**. These financial statements comprise of the **Statement of reconciliation claims to total application of fund** and notes to these financial statements, including a summary of significant accounting policies (collectively referred to as the "Project Financial Statements").

In our opinion, the aforesaid special purpose Project Financial Statements give a true and fair view of the **Statement of reconciliation claims to total application of fund, of the Project for the period from 01.04.2021 to 30.06.2021**, receipts and the expenditure of the Project for the period ended on June 30, 2021 in accordance with the financial reporting provisions of Section 5.09 of the General Conditions of the World Bank read with the Financing /Loan Agreement and Project Agreement both dated December -21-2011.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the implementing agency in accordance with the ICAI's Code of Ethics for undertaking this assignment, and we have fulfilled our ethical responsibilities in accordance with ICAI's Code of Ethics². We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter³

¹In case of sub-implementing agencies, the reference to Loan/Project Agreement may be substituted with Project Financial Management Manual or Project Implementation Manual or Project Operations Manual

²In case the implementing agency is a company, mention that ethical requirements of the Companies Act, 2013 have been complied, as illustrated in the Standard of Auditing 700

³The auditor may add other points on which it wishes to draw emphasis



We draw attention to Note No.264, dated: 13.09.2021 to the PFS describing the basis of accounting. The PFS is prepared to assist the **Tamil Nadu Generation and Distribution Corporation Limited, Chennai (Superintending Engineer/Civil, Dam Rehabilitation and Improvement Project Circle/K.Pudur, Madurai 625007)** to meet the financial reporting requirements of the Project's Loan/Financing Agreements for Investment Project Financing dated December -21-2011 in respect of preparation of the Project Financial Statements in a manner to reflect the operations, resources and expenditures related to the Project. As a result, these special purpose financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and those charged with Governance for the Project Financial Statements

The Management of the implementing agency is responsible for the preparation and fair presentation of the Project Financial Statements in accordance with the financial reporting framework⁴ described in Note No. 264, dated: 13.09.2021 to these financial statements, and for such internal control as management determines is necessary to enable the preparation of Project Financial Statements that are free from material misstatement, whether due to fraud or error.

The Management and those charged with governance are responsible for overseeing the implementing agency's financial reporting process.

Auditor's Responsibilities for the Audit of the Project Financial Statements

Our objectives are to obtain reasonable assurance about whether the Project Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standard of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Project Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

⁴ Refer to Standard on Auditing 700 (revised), para 7(b)



appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Project Financial Statements, including the disclosures and whether these financial statements present the Project's operations and underlying transactions and events in a manner that achieves fair presentation in accordance with the financial reporting provisions described in Note No. 264, dated: 13.09.2021 to the Project Financial Statements.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The implementing agency **Tamil Nadu Generation and Distribution Corporation Limited, Chennai (Superintending Engineer/Civil, Dam Rehabilitation and Improvement Project Circle/K.Pudur, Madurai 625007)** has prepared a separate set of entity financial statements for the period from 01.04.2021 to 30.06.2021 to issue a separate auditor's report to the Governing Body/Shareholders as unmodified/modified audit opinion.⁵



⁵This para may be modified in case separate audit report has been issued for the year other than the year of current audit. The auditor is also expected to consider the key qualifications made by the auditors on the entity financial statements and decide if these affect the opinion of the auditor on the Project Financial Statements.

Report on Other Legal and Regulatory Requirements <select/modify the below as applicable per the terms of reference >

Further to our opinion on the Project Financial Statements we further report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of accounts have been kept by the implementing agency for Project purposes so far as appears from our examination of those books;
- c) The Project Financial Statements dealt with by this report is in agreement with the books of accounts;
- d) The Project funds were utilized for the purposes for which they were provided;
- e) Expenditure incurred under the project shown in the PFS are transferred to Generation circles concerned and they are eligible for financing under the Project Financing Agreements;
- f) Interim Financial Reports (IFR) submitted by the Project management can be relied upon to support applications for withdrawal of the Loan, and adequate supporting documentation has been maintained to support these claims;
- g) It is stated by the DRIP Circle, TANGEDCO, Madurai that Procurement has been carried out in line with the agreed procedures as detailed in the Operations Manual/Procurement Manual/Project Implementation Plan/Legal Agreements; and
- h) The Project has an adequate internal financial control system and such controls were operating effectively for the period of 01.04.2021 to 30.06.2021 and the Project complies with the provisions on financial management contained in the Operations Manual/Project Implementation Plan/ Financial Management Manual, in all material aspects.


Place of Signature:

Date: 20.09.2021

Signature:

UDIN No: 21020983AAAAAV2144

For M. THOMAS & CO
Chartered Accountants
Firm Regn. No: 004408S


20/09/21
V FRANCIS
Partner

M.No. 020983



M. THOMAS & Co.,

Partner **V. FRANCIS** B.Sc., F.C.A.,

Chartered Accountant

14, Visuvasapuri 4th Street

Gnanaolivupuram

Madurai - 625 016.

Mobile : 99439 11633

E-mail : vfrancisveda@gmail.com

To

The Chief Engineer/Civil,
DRIP/ TANGEDCO,
144, Anna Salai,
Chennai – 600 002.

Sir,

Sub: World Bank Aided Dam Rehabilitation and Improvement Project (DRIP-I)
Audit of Expenditure incurred from 01.04.2021 to 30.06.2021 - Issue of
Audit Certificate.


We have scrutinized the Cash book Register maintained manually along with vouchers and also the computerized outputs extracted by way of head wise input entries from Cash Book for the period from 01.04.2021 to 30.06.2021 at TANGEDCO Office, K.Pudur, and Madurai. On the basis of records and information furnished to us during the course of audit, we hereby certify the expenditure incurred for the period from 01.04.2021 to 30.06.2021 in relation to World Bank Aided Dam Rehabilitation and Improvement Project (DRIP) as under:

Sl.NO	Particulars	Amount
(A)	Expenditure incurred under the control of DRIP Circle K.Pudur, Madurai.(Component I, II & III) (Rupees Nine Crores Twenty Nine Lakhs, Seventy Three Thousand Six Hundred and Forty One Only)	Rs. 9,29,73,641/-
(B)	Expenditure incurred under the control of DRIP Circle Headquarters, Chennai
(C)	Total Expenditure Incurred (Rupees Nine Crore, Twenty Nine Lakh, Seventy Three Thousand, Six Hundred and Forty One Only)	Rs. 9,29,73,641/-



We also certify, on the basis of Expenditure and Information in writing furnished to us that the expenditure incurred for the period from 01.04.2021 to 30.06.2021 is Rs.9,29,73,641/- (Rupees Nine Crore, Twenty Nine Lakh, Seventy Three Thousand, Six Hundred and Forty One Only) is tallied with the claim statement component wise as indicated in the Annexures and the claim statement for Rs. 9,29,73,641/- (Rupees Nine Crore, Twenty Nine Lakh, Seventy Three Thousand, Six Hundred and Forty One Only) is in order.

For M. THOMAS & CO
Chartered Accountants
Firm Regn. No: 004408S


V FRANCIS
Partner
M.No. 020983

UDIN No: 21020983AAAAAV2144



M. THOMAS & Co.,

Partner **V. FRANCIS** B.Sc., F.C.A.,
Chartered Accountant

14, Visuvasapuri 4th Street
Gnanaolivupuram
Madurai - 625 016.
Mobile : 99439 11633
E-mail : vfrancisveda@gmail.com

**TANGEDCO
DRIP CIRCLE/MADURAI
ANNEXURE-A**

DRIP-I

(In Rupees.)

Sl.No	Component	Total Expenditure 2021-22 (04/2021 to 06/2021)	Disallowed by Audit	Reimbursable 2021-22 (04/2021 to 06/2021)	Remarks
1	Component I: Dam Rehabilitation & Improvement Works	913,07,081	-	913,07,081	
2	Component II: Institutional Strengthening	-	-	-	
3	Component III: Project Management / Operation Cost (Preparatory Activities)	16,66,560	-	16,66,560	
	Total	929,73,641		929,73,641	

Note: Establishment and Operation cost from 01.04.2021 to 30.06.2021 have not been claimed under DRIP-I as the same are accounted under DRIP-II.

For M. THOMAS & CO
Chartered Accountants
Firm Regn. No: 0044085

V FRANCIS
Partner
M.No. 020983

UDIN No: 21020983AAAAAV2144



M. THOMAS & Co.,

Partner **V. FRANCIS** B.Sc., F.C.A.,

Chartered Accountant

14, Visuvasapuri 4th Street

Gnanaolivupuram

Madurai - 625 016.

Mobile : 99439 11633

E-mail : vfrancisveda@gmail.com

**TANGEDCO
DRIP CIRCLE/MADURAI
ANNEXURE-B**

DRIP-I

**Reconciliation of Claims with Claimable Expenditure During
01.04.2021 to 30.06.2021**

(In Rupees)

Sl.No	Claims made	Period of Claims	Expenditure Incurred	Expenditure Claimed	Remarks
1	Claim No.01(Q1)	April 2021 to June 2021	929,73,641	929,73,641	
	Total -A		929,73,641	929,73,641	
	Total Expenditure incurred and claimed		929,73,641	929,73,641	
	<u>Details for Advances</u>				
	Previous year balance of advance to be recovered (2020-2021)		283,44,485		
	Amount recovered against advances during June-2021		103,30,140		
	Balance to be recovered		180,14,345		

**For M. THOMAS & CO
Chartered Accountants
Firm Regn. No: 004408S**

**V FRANCIS
Partner**

UDIN No: 21020983AAAAAV2144

