

## TANGEDCO

Annexure A – Project Financial Statements to be provided by the SPMU

**A-1 Sources and used of Funds (Amount in Rs. Lakhs)****2021-2022**

Particulars	Total Expenditure	Non claimable exp.	Eligible Expenditure	Reimbursement 70%	Reimbursable amount
	FOR the year 2021-2022	FOR the year 2021-2022			
	1	2	(3) = (1) - (2)	4	5
Amount received during the year from Government	330.43				
Expenditure by Component:					
Component 1: Rehabilitation and Management Planning for Dam & Associated Appurtenances	555.01		555.01	388.50	388.50
Component 2: Dam Safety Institutional Strengthening	0.45		0.45	0.32	0.32
Component 3: Risk – informed Asset Management and Innovative Financing for Sustainable Operation and Maintenance of Dams	-	-	-	-	-
Component 4: Project Management	697.42	-	697.42	488.19	488.19
TOTAL Uses (PROJECT EXPENDITURE)	1,252.88	-	1,252.88	877.01	877.01

*10/3/23*  
**DEPUTY FINANCIAL CONTROLLER**  
**DRIP CIRCLE / TANGEDCO**  
**MADURAI-7**

*10/3/23*  
**SUPERINTENDING ENGINEER**  
**DRIP CIRCLE / TANGEDCO**  
**MADURAI.**

**For M. THOMAS & CO**  
**Chartered Accountants**  
**FRN 004408S**

*10/3/23*  
**V. FRANCIS**  
**PARTNER**  
**M. No. 020983**





TANGEDCO  
A-2 Reconciliation of Claims to Total Applications of Funds  
2021-2022

		(Rs. in Lakhs)
Particulars	Schedules	Current Year
Bank Funds claimed (A)	I	
Withdrawal claims for 1st IUFR	01.04.2021 to 03.08.2021	370.66
Withdrawal claims for 2nd IUFR	04.08.2021 to 31.12.2021	357.08
Withdrawal claims for 3rd IUFR	01.01.2022 to 31.03.2022	525.14
Withdrawal claims for 4th IUFR		
Total Bank funds claimed		1252.88
Total expenditure made during the year (B)		1252.88
Expenditure as per books of account		1252.88
Less:		
Ineligible expenditure (C)	II	0
Expenditures not claimed (D)	III	0
Total eligible expenditure claimed (E)=(B)-(C)-(D)		1252.88
World Bank Share @ % of (E)=(F) 70%		877.02
Excess/ Shortage of claims over expenditure (A)-(F)		0

*[Signature]*  
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A-3 Amounts to be claimed for contracts on net basis

2021-2022

TANGEDCO	
Particulars	Amount in INR Lakhs
Expenditure incurred (Gross Bill)	555.01
Less: retention money deducted	9.46
Less: statutory taxes deducted	14.55
Less: advance adjusted	-
Amount paid to contractors	531.00
Add: Statutory taxes remitted	14.55
Add: Retention money paid to contractors	-
Add: Advance paid to contractors	
Amount eligible for claims from contractual payments	

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*3.10.2023*  
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TANGEDCO

Annexure B  
2021-2022

List of ineligible expenditures with reasons

.....NIL.....

Annexure C

Recertification of earlier year audit disallowance

2021-2022					
Year	Amount disallowed	Reason for disallowance	Amount recertified	Reason for recertification	Balance disallowed amount if any
2021-2022	NIL				

*J. Sathyan*  
10/3/23  
DEPUTY FINANCIAL CONTROLLER  
DRIP CIRCLE / TANGEDCO  
MADURAI-7  
10/3/23

*S. Sathyan*  
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*V. Francis*  
10/3/23  
V. FRANCIS  
PARTNER  
M. No. 020983





**M. THOMAS & Co.,**

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

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## INDEPENDENT AUDITOR'S REPORT

To,

The Project Director,  
Central Water Commission,  
New Delhi.

Report on the Audit of Project Financial Statement

### Opinion

We have audited the accompanying special purpose financial statements of **Dam Rehabilitation and Improvement Project II for Tamil Nadu Generation and Distribution Corporation** under World Bank Loan No.9181-IN, and implemented by **TANGEDCO (Superintending Engineer/ Civil/ DRIP/ Madurai Circle)**. These financial statements comprise of the Statement of Sources and uses of Funds for the year ended **31<sup>st</sup> March, 2022**, **summary & details of Expenditure against Dam Rehabilitation and Improvement Project (DRIP)** work for reimbursement for the F.Y.2021-2022 (provided in Annexure A) and notes to these financial statements, (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 **financial position of the Project for the period from 01.04.2021 to 31.03.2022**, receipts and the expenditure of the Project for the period ended on March 31, 2022 in accordance with the financial reporting provisions of Section 5.09 of the General Conditions of the World Bank read with the Loan Agreement dated,22.07.2021 and Project Agreement dated, 04.08.2021.

### 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 Ethics<sup>1</sup>. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





## **Emphasis of Matter<sup>2</sup>**

We draw attention that the PFS is prepared to assist the DRIP II to meet the financial reporting requirements of the Project's Financing Agreements for Loan No.9181-IN 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 framework, 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 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- 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.
- 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

We did not audit the Corporate Financial Statements for the year ended March 31, 2022. The Statutory Auditors have expressed modified Audit opinion on the Financial Statements for the year 2021 -2022 in their report.

Our opinion is not modified in respect of the matter.





## Report on Other Legal and Regulatory Requirements

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) expenditures, including assets created under the Project, shown in the PFS 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 (including IT controls) and such controls were operating effectively as at March 31, 2022 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.

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

*Ann TS*  
*05/06/23*

V.FRANICIS  
Partner  
M.No.020983

UDIN No:23020983BGYVNO5492  
Place of Signature: Madurai.  
Date: 05.06.2023.

