

INDEPENDENT AUDITOR'S REPORT

To,
The Project Director,
Central Water Commission,
New Delhi.

Report on the Audit of the Project Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of **Dam Rehabilitation and Improvement Project II for Tamil Nadu Generation and Distribution Corporation (TANGEDCO)** 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 of funds for the year ended **31st March, 2023, Summary & details of Expenditure against Dam Rehabilitation and Improvement Project (DRIP)** work for reimbursement for the FY 2022-23 (Provided in Annexure A) and notes to this financial statement, (collectively referred to as the "Project Financial Statement").

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 01.04.2022 to 31.03.2023**, receipts and the expenditure of the project for the period ended on March 31, 2023 in accordance with the financial reporting provisions of Section 5.09 of the general Conditions of the World Bank read with the Loan Agreement 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



- 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.
- 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

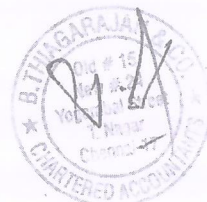
We did not audit the Corporate financial Statements for the year ended March 31,2023. The Statutory auditors have expressed modified audit opinion on the Financial Statements for the year 2022-2023 in their report.

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;



TANGEDCO

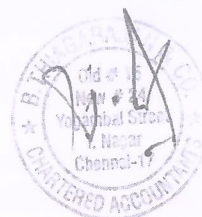
Annexure A – Project Financial Statements to be provided by the SPMU

A-1 Sources and application of Funds (Amount in Rs. Lakhs)

2022-2023

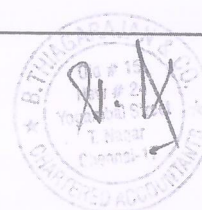
(Rs. In Lakhs)

Particulars	Total Expenditure	Non claimable exp.	Eligible Expendit ure	Reimburse ment 70%	Reimburs able amount
	FOR the year	FOR the year			
	1	2	(3) = (1) - (2)	4	5=3x4
Amount received during the year from Government	5798.62				
Expenditure by Component:					
Component 1: Rehabilitation and Management Planning for Dam & Associated Appurtenances	4,773.86	-	4,773.86	3,341.70	3,341.70
Component 2: Dam Safety Institutional Strengthening	6.54	-	6.55	4.59	4.59
Component 3: Risk – Informed Asset management and Innovative Financing for Sustainable Operation and Maintenance of Dams.	-	-	-	-	-
Component 4: Project management	704.32	-	704.32	493.02	493.02
TOTAL Uses (PROJECT EXPENDITURE)	5,484.72	-	5,484.73	3,839.31	3,839.31



TANGEDCO**A-3 Amounts to be claimed for contracts on net basis****2022-2023****(Rs. in Lakhs)**

Particulars	Amount
Expenditure incurred (Gross Bill)	5293.75
Less: retention money deducted	195.17
Less: statutory taxes deducted	208.74
Less: advance adjusted	336.04
Amount paid to contractors	4553.80
Add: Statutory taxes remitted	208.74
Add: Retention money paid to contractors	11.32
Add: Advance paid to contractors	0
Amount eligible for claims from contractual payments (Component I)	4773.86
Eligible Expenditure	
Component I – Drip DAM Works	4773.86
Component II – Industrial Strengthening	6.55
Component III – Revenue	0
Component IV – Establishment & Operation cost	704.32
Total Expenditure	5484.73
World bank share @70%	3839.31



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

[Signature]
10/3/23
DEPUTY FINANCIAL CONTROLLER
DRIP CIRCLE / TANGEDCO
MADURAI-7

[Signature]
10/3/23
SUPERINTENDING ENGINEER
DRIP CIRCLE / TANGEDCO
MADURAI.

For M. THOMAS & CO
Chartered Accountants
FRN 0044088

[Signature]
10/3/23
V. FRANCIS
PARTNER
M. No. 020983



TANGEDCO

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	

Dr. S. S. S. S. S.
10/3
DEPUTY FINANCIAL CONTROLLER
DRIP CIRCLE / TANGEDCO
MADURAI-7

R. S. S. S. S.
10/3/23
SUPERINTENDING ENGINEER
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For M. THOMAS & CO
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