REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

To
The Project Director,
SPMU-DRIP,
Water Resources Development Organisation,
Ananda Rao Circle,
Bangalore-560 009

REPORT ON THE PROJECT FINANCIAL STATEMENT-2018-19

We have audited the accompanying financial statements of World Bank Assisted Dam Rehabilitation and Improvement Project (DRIP) Loan No.7943-IN and Credit No.4787-IN which comprises the Statement of Sources and Applications of Funds and reconciliation of claims to the Total Application of Funds for the year 2018-19. These statements are the responsibility of the Project’s management. 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. These 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 examines, on a test basis, evidence supporting the amounts and disclosure in the financial statements. It also includes assessing the accounting principles used and significant estimates made by the 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 World Bank Assisted Dam Rehabilitation and Improvement Project (DRIP) for the years ended 31st March 2019 in accordance with the Government of India Accounting Standards.

In addition, in our opinion,(a) with respect of Statements of Expenditure (SOE), adequate supporting documentation has been maintained to support claims to the World Bank for reimbursement of expenditure incurred, and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended in this Audit Report and expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit, the Project Financial Statements and the connected documents were examined and these can be relied upon to support reimbursement for the year ended 31st March 2019 under the Loan/Credit Agreement as detailed below:
<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Component</th>
<th>Total Expenditure</th>
<th>Eligible Expenditure</th>
<th>Less inadmissible</th>
<th>Expenditure admissible as per Audit</th>
<th>Net Amount Reimbursable (80 percent of Eligible Expenditure)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dam Rehabilitation and Improvement</td>
<td>1359272.202</td>
<td>1359272.202</td>
<td>Nil</td>
<td>1359272.202</td>
<td>1087417.761</td>
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<tr>
<td>2</td>
<td>Institutional Strengthening</td>
<td>34261.907</td>
<td>34261.907</td>
<td>-Nil</td>
<td>34261.907</td>
<td>27409.52</td>
</tr>
<tr>
<td>3</td>
<td>Project Management</td>
<td>66.709</td>
<td>66.709</td>
<td>-Nil</td>
<td>66.709</td>
<td>53.36</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>1393600.818</td>
<td>1393600.818</td>
<td>-Nil</td>
<td>1393600.818</td>
<td>1114880.654</td>
</tr>
</tbody>
</table>

**Note:**

An amount of Rs 27000/- was omitted in the current financial year i.e., 2018-19. The same may be included in the SOE of next financial year 2019-20.

The report is issued without prejudice to the Comptroller & Auditor General’s right to incorporate the audit observations in the report of C&AG of India for being laid before the Parliament/State or Union Territory Legislature.

Deputy Accountant General
(Economic Sector – I)
O/o the Accountant General (E&RSA)
KARNATAKA, Bangalore.
ANNEXURE

MEMO OF DISALLOWANCES

World Bank Assisted Dam Rehabilitation and Improvement Project (DRIP) Loan
No.7943-IN and Credit No.4787-IN

-Nil-

Deputy Accountant General / (ES-I)