



- 4 JAN 2022

कार्यालय महालेखाकार (लेखापरीक्षा-II)

तमिलनाडु एवं पुदुचेरी

OFFICE OF THE ACCOUNTANT GENERAL (AUDIT-II)  
TAMILNADU & PUDUCHERRY

No.AG (Audit-II)/AMG - III/HW - II/Unit II/2021-22/ 51

Dated 03.01.2022

To

The Project Director  
Tamil Nadu Road Sector Project II  
Tamil Nadu Maritime Board Building  
No.171, South Kesava Perumalpuram  
1st Floor, Greenways Road  
Chennai - 600 028

प्र. 10.	
प्र. 11.	
प्र. 12.	

Sir,

**Sub:** Issue of Audit Certificates for the year 2020-21 and 04/21 to 06/21 - reg.

**Ref:** Your letter No.Accts I/Comp/SOE/31/2021 dated 29.09.2021.

\*\*\*\*\*

With reference to your letter cited, I wish to state that the Audit Certificates in respect of Tamil Nadu Road Sector Project II for the year 2020-21 and for the period ended 04/2021 to 06/2021 are enclosed herewith.

Kindly acknowledge the receipt of the Audit Certificates.

Yours faithfully,

*V. Rao*  
31/1/2022  
Sr.Audit Officer/HW

Encl: As above



कार्यालय महालेखाकार (लेखापरीक्षा-II)  
तमिलनाडु एवं पुदुचेरी

OFFICE OF THE ACCOUNTANT GENERAL (AUDIT-II)  
TAMILNADU & PUDUCHERRY

Report of the Comptroller and Auditor General of India

To

The Project Director,  
Tamil Nadu Road Sector Project-II,  
Tamil Nadu Maritime Board Building,  
No. 171, South Kesava Perumalpuram,  
1<sup>st</sup> Floor, Greenways Road  
Chennai – 600 028

Report on the Project Financial Statements

We have audited the accompanying financial statements of the Tamil Nadu Road Sector Project financed under World Bank Loan No.8499 IN, which comprises the Statement of Sources and Applications of Funds for the period ended 31.03.2021. Preparation of these statements is 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 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 that the financial statements are free from material misstatement. We examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We also assessed the accounting principles used and significant estimates made by management and evaluated overall presentation of the statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements enclosed present fairly, in all material respects, the sources and applications of funds of TNRSP for the period ended 31.03.2021 in accordance with Government of India accounting standards.

In addition to our opinion, (a) with respect to Statement of Expenditures, adequate supporting documents are maintained to support claims to the World Bank for reimbursements of expenditure incurred, and (b) except for ineligible expenditure as detailed in the audit observations (Annexure A), if any, appended to this audit report, expenditures are eligible for financing under the Loan/Credit Agreement. During the course of the audit. Statement of

129 -

Expenditure (aggregating to Rs.325,60,66,196) and the connected documents were examined, and these can be relied upon to support reimbursement under the Loan/Credit Agreement.

This report is issued without prejudice to CAG's right to incorporate the audit observations in the Report of CAG of India for being laid before Parliament/State Legislature.

AUDIT OBSERVATION

1. Scrutiny of Statement of Expenditure  
(Annexure A enclosed).

  
Deputy Accountant General/AMG - III



**Annexure - A**

**Scrutiny of Statement of Expenditure**

It is observed from the Statement of Expenditure that the Fund approved by Government under FMA 2020-21 was Rs.3574.924 million. But the expenditure incurred during 2020-21 was only Rs.3319.011 million, leaving a balance of Rs.255.913 million, at the end of 31.03.2021. Reasons for the saving may be stated.

In reply it was stated that despite sincere efforts, the works of PPP 01 and PPP 03 could not be put into execution even during 2020-21.

The reply was not found acceptable. Had the Department taken all efforts in time, the postponement of work could have been avoided.



**Deputy Accountant General /AMG-III**



133

**कार्यालय महालेखाकार (लेखापरीक्षा-II)**  
**तमिलनाडु एवं पुदुचेरी**  
**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT-II)**  
**TAMILNADU & PUDUCHERRY**

**Report of the Comptroller and Auditor General of India**

To

The Project Director,  
Tamil Nadu Road Sector Project-II,  
Tamil Nadu Maritime Board Building,  
No. 171, South Kesava Perumalpuram,  
1<sup>st</sup> Floor, Greenways Road  
Chennai – 600 028

**Report on the Project Financial Statements**

We have audited the accompanying financial statements of the Tamil Nadu Road Sector Project financed under World Bank Loan No.8499 IN, closed on 30<sup>th</sup> June 2021, which comprises the Statement of Sources and Applications of Funds for the period ended 30.06.2021. Preparation of these statements is 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 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 that the financial statements are free from material misstatement. We examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We also assessed the accounting principles used and significant estimates made by management and evaluated overall presentation of the statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements enclosed present fairly, in all material respects, the sources and applications of funds of TNRSP for the period ended 30.06.2021 in accordance with Government of India accounting standards.

In addition to our opinion, (a) with respect to Statement of Expenditures, adequate supporting documents are maintained to support claims to the World Bank for reimbursements of expenditure incurred, and (b) except for ineligible expenditure as detailed in the audit observations (Annexure A), if any, appended to this audit report, expenditures are eligible for

financing under the Loan/Credit Agreement. During the course of the audit, Statement of Expenditure (aggregating to Rs. 147,53,02,108) and the connected documents were examined, and these can be relied upon to support reimbursement under the Loan/Credit Agreement.

This report is issued without prejudice to CAG's right to incorporate the audit observations in the Report of CAG of India for being laid before Parliament/State Legislature.

#### AUDIT OBSERVATION

1. Scrutiny of Statement of Expenditure  
(Annexure A enclosed).



Deputy Accountant General/AMG - III

## Annexure - A

### Scrutiny of Statement of Expenditure

It is observed from the Statement of Expenditure that the fund approved by Govt under BE 2021-22 was Rs.663.03 crore. The expenditure incurred up to 30.06.2021 was Rs.147.53 crore leaving a balance of Rs.515.50 crore, at the end of 30.06.2021.

In reply it was stated that the expenditure incurred was upto 30.06.2021 (i.e., for 3 months) only. The Budget allotment of Rs.663.0029 crore for 2021-2022 will be expended before 31.03.2022, for which all the Divisional Engineers (H), TNRSP-II have been suitably instructed to achieve the target.

Since the loan amount (US\$300.000 Million) given by the World Bank to TNRSP II closed on 30<sup>th</sup> June 2021, and the total expenditure incurred upto 30.06.2021 was only Rs.473.14 crore, the reply was not found acceptable. Had the Department taken all efforts in time, the postponement of work could have been avoided.

  
Deputy Accountant General /AMG-III