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आज़ादी का
अमृत महोत्सव

कार्यालय महानिदेशक लेखापरीक्षा
(कृषि, खाद्य एवं जल संसाधन), नई दिल्ली
Office of the Director General of Audit
(Agriculture, Food & Water Resources), New Delhi



गोपनीय

रिपोर्ट/2-89/डी.जी.ए./ए.एफ.&डब्ल्यू.आर./A/cs/WAPCOS/2022-23/ 6392

दिनांक :- 19/12/2022

सेवा में,

अध्यक्ष एवं प्रबन्ध निदेशक,
वापकोस लिमिटेड,
76-सी, इंस्टीट्यूशनल एरिया, सेक्टर -18,
गुरुग्राम -122015 (हरियाणा)

विषय: भारत के नियन्त्रक एवं महालेखापरीक्षक द्वारा कम्पनी अधिनियम 2013 के अनुच्छेद 143(6)(b) के अंतर्गत वापकोस लिमिटेड के 31 मार्च 2022 को समाप्त वर्ष के वित्तीय खातों (Consolidated & Standalone) पर टिप्पणियाँ ।

महोदया,

इस पत्र के साथ कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत वापकोस लिमिटेड के 31 मार्च 2022 को समाप्त वर्ष के वित्तीय खातों (Consolidated & Standalone) पर टिप्पणियाँ भेजी जा रही हैं।

कृपया इस पत्र की पावती भेजने की कृपा करें ।

संलग्न: यथोपरी

भवदीया,

कीर्ति
19/12

(कीर्ति तिवारी)

महानिदेशक लेखापरीक्षा (कृषि, खाद्य एवं जल संसाधन)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF WAPCOS LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of consolidated financial statements of WAPCOS Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 August 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements WAPCOS Limited for the year ended 31 March 2022 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of WAPCOS Limited and National Project Construction Corporation Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Auditors' Report on Consolidated Financial Statements

A.1 Independent Auditors Report

Please refer to Para (d) of Basis of Qualified opinion of the Independent Auditors Report on the consolidated financial statements of WAPCOS Limited for the year 2021-22 which inter alia states that 'Trade Receivables against projects executed in the country of Afghanistan, Sri Lanka etc. carry a significant level of realization risk considering the present economic and political situation in the countries. However, the company has made provision only as per standard ECL matrix against such receivables.'

In this connection, reference is invited to Note 67 annexed to consolidated financial statements which inter alia states that 'the company was executing five projects in Afghanistan. Against total outstanding of Rs.40.34 crore the company received Rs.20.30 crore in April 2022 and the management is confident regarding recovery of due balances in these projects'.

Against total outstanding, a provision of Rs.4.09 crore has been made as per ECL Matrix and the Company received Rs. 20.46 crore (Rs.20.30 crore in April 2022-for one project in Afghanistan and Rs.0.16 crore in October 2022-for project in Sri Lanka) and confirmation letter in respect of recovery in two project in Afghanistan has already been received. Moreover, out of four projects

in Afghanistan, two are World Bank funded projects. Therefore, only on the basis of political situation in the countries, it cannot be said that there is significant realization risk. Therefore, the qualification given at Para (d) of Basis of Qualified opinion is not correct to that extent.

**For and on the behalf of the
Comptroller & Auditor General of India**

**Place: New Delhi
Date: 19.12.2022**



**(Keerti Tewari)
Director General of Audit
(Agriculture, Food & Water Resources)**

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF WAPCOS LIMITED (STANDALONE) FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of WAPCOS Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 August 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of WAPCOS Limited for the year ended 31 March 2022 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Auditors' Report

A.1 Independent Auditors Report

Please refer to Para (d) of Basis of Qualified opinion of the Independent Auditors Report on the standalone financial statements of WAPCOS Limited for the year 2021-22 which inter alia states that 'Trade Receivables against projects executed in the country of Afghanistan, Sri Lanka etc. carry a significant level of realization risk considering the present economic and political situation in the countries. However, the company has made provision only as per standard ECL matrix against such receivables.'

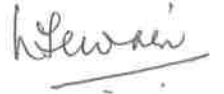
In this connection, reference is invited to Note 63 annexed to standalone financial statements which inter alia states that 'the company was executing five projects in Afghanistan. Against total outstanding of Rs.40.34 crore the company received Rs. 20.30 crore in April 2022 and the management is confident regarding recovery of due balances in these projects'.

Against total outstanding, a provision of Rs.4.09 crore has been made as per ECL Matrix and the Company received Rs.20.46 crore (Rs. 20.30 crore in April 2022-for one project in Afghanistan and Rs.0.16 crore in October 2022-for project in Sri Lanka) and confirmation letter in respect of recovery in two projects in Afghanistan has already been received. Moreover, out of four projects in Afghanistan, two are World Bank funded projects. Therefore, only on the basis of political situation in the countries, it cannot be said that

there is significant realization risk. Therefore, the qualification given at Para (d) of Basis of Qualified opinion is not correct to that extent.

**For and on the behalf of the
Comptroller & Auditor General of India**

**Place: New Delhi
Date: 19.12.2022**



**(Keerti Tewari)
Director General of Audit
(Agriculture, Food & Water Resources)**