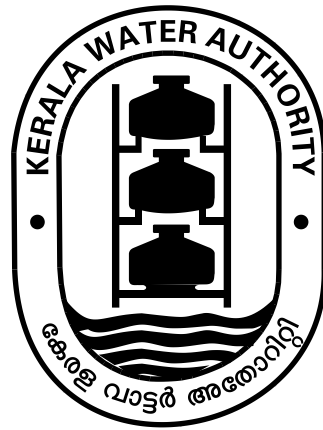


# KERALA WATER AUTHORITY



## ANNUAL ACCOUNTS

2017-18

JALA BHAVAN, THIRUVANANTHAPURAM-695033

PHONE: 91 471 2738300





**SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
ON THE REVISED ACCOUNTS OF THE KERALA WATER AUTHORITY  
FOR THE YEAR ENDED 31 MARCH 2018.**

We have audited the attached Balance Sheet of Kerala Water Authority (KWA) as at 31 March 2018 and the Income and Expenditure Account for the year ended 31 March 2018 under Section 19 (3) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 29(3) & (4) of the Kerala Water Supply and Sewerage Act, 1986. These financial statements include the individual accounts of 174 units. The preparation of these financial statements is the responsibility of the Kerala Water Authority. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with best accounting practices, accounting standards, disclosure norms etc. Audit observations on financial transactions with regard to compliance with the Laws, Rules and Regulations (Propriety and Regularity) and efficiency-cum-performance aspects etc., if any, are reported through Inspection Reports/CAG's Audit Report separately.
3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
4. Based on our audit, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (ii) The Balance Sheet and Income and Expenditure Account dealt with by this report have been drawn up in the format approved by the State Government under Section 29(1) of the Kerala Water Supply and Sewerage Act 1986.
  - (iii) In our opinion, system of maintenance of books of accounts and other relevant records as required under Section 29(1) of Kerala Water Supply and Sewerage Act 1986, were wanting in many respects, in so far as it appeared from our examination of such books.
  - (iv) We further report the following significant audit observations on financial statements under different heads:



## **A. BALANCE SHEET**

### **1. Sources of Funds**

#### **Kerala Water Authority Fund**

##### **1.1.1 Contributions and Grants (Schedule A)- ₹ 7597,23,99,796**

###### **1.1.1.1. Contribution and Grant from GoI- ₹ 1725,08,16,284**

###### **Less amount to Dist. Collectors and Rural Water Sanitation Agency- ₹ 228,95,61,750**

Reference is invited to item No.2.02.4.2 of Notes to Accounts, wherein it was stated that 'amount released to District Collectors for the implementation of Water Supply Schemes to Scheduled Caste/Scheduled Tribes habitations and amount released to Kerala Rural Water Sanitation Agency out of the Government of India Grant was shown as a deduction in the schedule'. In the absence of Utilization Certificate for the amount of ₹ 228.96 crore shown as deduction from the GoI grants as on 31.03.2018, the correctness of the same could not be ascertained.

##### **1.1.2. Reserves and Surplus (Schedule B)- ₹356,55,04,378**

This represents the amount of deposit received against water/sewer deposit works transferred to "Reserve for Deposit Works" on effective completion of such works which are not handed over to the depositors As per Note No.2.03 of the Statement on Significant Accounting Policies and Notes on the Accounts, works completed under the deposit received upto March 2012 have been transferred to Reserve for Deposit Works as the updation of Fixed Asset register and analysis of asset related items including deposit works are done upto 31.03.2012.

Even though depreciation on these assets was provided for, the amount of reserve equal to depreciation provided for has not been accounted as income in the Income and Expenditure account. Though this has been brought to the notice of the Authority in the previous Audit Reports, no adjustment has been made in the accounts so far.

## **2. Application of Funds**

### **2.1 Fixed Assets (Schedule E) - ₹103,97,59,92,604**

#### **2.1.1 Gross Block- ₹59,57,03,26,168**

As per KWA Accounts Manual, Chapter IV B.1.5.1, on receipt of Commissioning Certificate (Form FA 12), the Divisional Office shall forward to Head Office the details of such Work /Scheme to be Capitalized as "Capital Work Cost Analysis" in form FA 13. As per Chapter IV C.2.1, on receipt of capital Work Cost Analysis (Form 13) from Divisions, the Head Office shall aggregate cost including project overheads, interest allocated (gathered from Register of interest pending allocation form FA14) and such amount shall be transferred to Fixed Assets Account by passing Journal Entry. The details of assets capitalized shall be recorded in Fixed Asset register Form FA15.

As per the note, in the year 2017-18 an amount of ₹385.16 crore has been transferred from Capital Work in Progress to Fixed Assets. This was based on an annual statement of schemes completed called for from the Divisions.



In this regard, the above Manual provisions to be followed as and when the projects are commissioned were not followed by the Authority.

**2.1.2** The Fixed Asset register has been updated only up to 31.3.2012. As per the notes on accounts (2.07.3), the Fixed Asset register has been updated upto the year 2011-12. Action is in progress to update the same for the financial year from 2012-13. The expenditure incurred towards Water Supply Schemes/ Sewerage Schemes are first booked as Capital Work in Progress and on successful commissioning of the Schemes, the same is transferred to corresponding fixed assets. The analysis and updation of Fixed Assets register and asset related matters were done upto 31.03.2012 only. As per the note, in the year 2017-18 an amount of ₹385.16 crore has been transferred from Capital Work in Progress to Fixed Assets.

In the absence of updated Fixed Assets Register, the correctness of the value of Fixed Assets as on 31 March 2018 and the depreciation could not be confirmed.

## **2.2. Net Current Asset - ₹279,90,86,609**

### **2.2.1. Current Asset (Schedule G)- ₹19,29,15,68,791**

#### **2.2.1.1 Inventory**

##### **2.2.1.1.1 Stores Tools & Spares- ₹78,29,04,171**

PH Division Irinjalakuda has not accounted stock of Pipes (Account Code 1313), Valves (Account Code 1314), Specials (Account Code 1316), Others (Account Code 1319) and Chemicals (Account Code 1331) amounting to ₹ 20,74,996 based on Goods Received Sheet (GRS) and Material Return Note (MRN) as recorded in MA 10 Register as per Manual provisions. This has resulted in understatement of current asset and current liabilities by ₹ 20,74,996. Due to non-adherence to the Manual provision, the correctness of the stock of material could not be ascertained.

##### **2.2.1.2 Sundry Debtors - ₹1332,77,37,471**

###### **2.2.1.2.1 Consumers**

###### **2.2.1.2.1.1 Domestic, Non domestic and Industrial dues - ₹1007,72,62,955**

The above amount included dues relating to several unidentified connections, disconnected/ dismantled connections as well as cases under dispute on which fines and penalties were on increase. However individual cases of debtors were not analysed separately for making provisions for doubtful debts. Reference is invited to note No.2.09.4 wherein it is stated that the sundry debtors balances have not been reconciled and no provision has been made for doubtful debts. Further, the demand on consumers and corresponding debtors are accounted based on arbitrary estimates in many units. In the absence of provisions for doubtful debts and the method of arbitrary estimation adopted for accounting of demand, the correctness of the amount of Current Assets could not be ascertained in audit.



#### **2.2.1.2.1.2. LIC loan repayment due from Local Bodies - ₹17,61,43,755**

This represents the amount shown as dues from Panchayats, Municipalities and Corporation pending for long. Neither the details of the above dues nor any claims preferred with the Local Bodies are available with the Authority. In the absence of details and non-preferring of claims, chances of recovery are remote and hence necessary provision should have been made in the accounts. Non-provisioning had resulted in overstatement of Current Assets by ₹17.61 crore and corresponding understatement of Provision for Bad Debts.

#### **2.2.1.2.1.3. Others- ₹96,05,532**

The above amount includes Centage Charges and other dues pending recovery. Details of the outstanding amount (₹ 96,05,532) were not available with the Authority since long. Hence, necessary provision for the above amount should have been made in the accounts. Non-provisioning had resulted in overstatement of Current Assets by ₹96,05,532 with corresponding understatement of provision for bad debts.

#### **2.2.1.3 Other Current Asset**

##### **2.2.1.3.1 Inter Office and other suspense account balances - ₹ (74,83,49,314)**

- (1) Inter office Accounts should have 'NIL' balance in the Consolidated Accounts. However, the above head shows balance of ₹ (-) 74,83,49,314 being balance in twenty one inter office accounts.
- (2) The above includes ₹(-) 309,06,02,153.09 being the balance under the head IOA – Bank-Non-Operative (Account Code 9134). As per KWA Accounts Manual – Volume – V, Cash and Funds Accounting, Chapter – II, Operating Systems and Procedures, (E) – Banking, Paragraph – 6, Division/Sub-division shall maintain a “Control Register – Non-operative Account” in Form CB-14 wherein the details of deposits into Non-Operative account shall be recorded. Also, the details of transfers effected to the head office shall be recorded based on advice received from bank. As per (F) Fund Transfer, Paragraph – 3, a Schedule of transfers effected during the month shall be sent by the units to the head office along with monthly accounts. Head office shall on receipt of such schedule, record the details of transfers effected in Non-Operative Transfer Register in Form CB-32. Details of fund utilized shall also be recorded in that register and hence the balance shall be ascertained.

As per Chapter - III – Accounting Procedures, (F) Fund Transfer, Paragraph – 3, Non-Operative Account, transfer of fund from Sub-division/Divisions to Head office through Non-Operative Bank Account shall be accounted in the cash book (payment side in the Divisions/Sub-divisions book and receipt side in the Head Office books) under the head IOA – Bank- Non-operative (Account Code 9134).

It is seen that the prescribed procedural control through Non-Operative Transfer Register in Form CB-32 and accounting controls through cash book for receipt under IOA – Bank-Non-Operative (Account Code 9134) was not exercised by the Head Office. As such, there is a difference of ₹ 2,50,60,613.62 between the amount accounted as transferred by Field Offices in 2017-18 under Account Code 9134 and the amount accounted in 2017-18 as received at Head Office bank accounts which is yet to be reconciled. Hence, Audit could not vouchsafe the correctness of balance of the above account.



## 2.2.2. Current Liabilities (Schedule H)- ₹1649,24,82,182

### 2.2.2.1. Sundry creditors

#### 2.2.2.1.2 For contractors/suppliers -₹ (5,60,23,850)

- (1) The above represents debit balance against liability to suppliers. Since there cannot be a debit balance for liability to suppliers, the above balance is incorrect.

As per the stated accounting policy, the Authority follows accrual basis of accounting. However the Authority has not accounted the liability in respect of works completed and certified prior to 31st March 2018 and pending for payment as on 31.03.2018. Since the Authority is not passing JVs for CWIP/ Assets and Repairs and Maintenance as and when work is completed / certified, the actual amount of current liability, work in progress/ assets and repairs and maintenance not accounted as on 31st March could not be ascertained.

- (2) A test check of the monthly accounts (PH Division Kollam) for April, May and June 2018 revealed the following understatement of Liabilities and Assets amounting to ₹1, 20,91,051.

Sl. No	Name of work	Work certified date	Date of payment	Amount (₹)	Remarks
1	NABARD- RIDF- XVIII- RWSS to Vilakkudy and MelilaPanchayaths Phase-I	01.03.2017	June 2018	6906966	CBV-37/06/2018
2	ARWSS to Pattazhy and Pattazhi, Vadakkekara	28.06.2016	April 2018	5184085	CBV-20/04/2018
	<b>Total</b>			<b>12091051</b>	

### 2.2.2.2. Statutory employee deduction

#### 2.2.2.2.1 General Provident fund - ₹4,17,76,58,485

Reference is invited to the Note no. 2.10.2 wherein it is stated that the GPF balance had not been reconciled with individual accounts and the same was in progress. In the absence of reconciliation between the ledger balance of GPF account with the individual accounts, the correctness of the liability under the above head could not be confirmed.

Hence, the correctness of balance under General Provident fund ₹4,17,76,58,485 could not be ascertained. Further, Audit has no assurance that Authority has made investments commensurate with the liability on account of Provident Fund.



## **B. INCOME & EXPENDITURE ACCOUNT**

### **1. Operating Income**

#### **1.1. Consumers (Schedule L) - ₹622,85,11,241**

##### **1.1.1 Operating Income - Water Supply**

###### **1.1.1.1. Domestic consumers - ₹ 255,82,69,027**

The above includes Water Charges from domestic consumers (Account Code 6111) ₹241,45,76,361.76. On test check of accounting records of Divisions (PH Division Alappuzha ₹13,09,97,382.00, PH Division Aluva ₹9,42,91,066, PH Division Irinjalakuda ₹10,61,06,566 and PH Division Kozhikkode ₹13,28,17,075), it is seen that the manual revenue records do not provide for the total demand under each category of consumers based on the actual demand raised on individual consumers but based on arbitrary estimates. i.e by applying an average rate on the total number of consumers at four Subdivisions under Alappuzha Division, two Sub divisions under Aluva Division, all the four Sub divisions under Irinjalakkuda Division, and two Sub divisions under Kozhikkode Division. The DCB reports were not available in billing system eAbacus for the whole year 2017-18 in these Subdivisions. Hence the amount of income accounted for water charges from domestic consumers is not correct for the year 2017-18.

###### **1.1.1.2 Non-Domestic consumers - ₹214,85,95,204**

The above includes Water Charges from non-domestic consumers (6211) ₹213,01,25,820.55. On a test check of accounting records of Divisions (PH Division Alappuzha ₹1,88,48,210, PH Division Aluva ₹5,54,52,311, PH Division Irinjalakuda ₹2,21,47,654 and PH Division Kozhikkode ₹15,23,37,097), it is seen that the manual revenue records does not provide for the total demand under each category of consumers based on the actual demand raised on individual consumers but based on arbitrary estimates. i.e by applying an average rate on the total number of consumers at four Subdivisions under Alappuzha Division, two Sub divisions under Aluva Division, all the four Sub divisions under Irinjalakuda Division, and two Sub divisions under Kozhikkode Division. The DCB reports were not available in billing system e-Abacus for the whole year 2017-18 in these Sub divisions. Hence the amount of income accounted for water charges from non-domestic consumers is not correct for the year 2017-18.

###### **1.1.1.3 Industrial consumers - ₹16,56,62,978**

The above includes water charges from industrial consumers (6411) ₹16,55,28,810. On test check of accounting records of Divisions (PH Division Alappuzha ₹9230138, PH Division Aluva ₹16652186, PH Division Irinjalakuda ₹3302932 and PH Division Kozhikkode ₹3497632), it is seen that the manual revenue records do not provide for the total demand under each category of consumers based on the actual demand raised on individual consumers but based on arbitrary estimates. i.e by applying an average rate on the total number of consumers at four Sub divisions under Alappuzha Division, two Sub divisions under Aluva Division, all the four Sub divisions under Irinjalakkuda Division, and two Sub divisions under Kozhikkode Division. The DCB reports were not available in billing system e-Abacus for the whole year 2017-18 in these Sub divisions. Hence the amount of income accounted for water charges from Industrial consumers is not correct for the year 2017-18.





### 1.1.2 Income from Local Bodies ₹135,29,70,179

The above does not include debits occurred due to sanctioning of One Time Settlement (OTS) and waiver of fine amounting to ₹ 8,59,837. This has resulted in overstatement of income from local bodies and current assets by ₹ 8,59,837.

## C GENERAL

- (1) The Authority incorporates the current year transactions of the Account Rendering Units (ARUs) through journal at Head Office (HO). The consolidated opening and closing balances of each heads of accounts are retained in the books of Head Office. The ARU wise break-up of the figures of opening and closing balances maintained at HO is not available. The impact of JVs passed at HO is not incorporated in the accounts of ARUs. Hence the correctness of opening and closing balances of various heads of accounts including cash and bank balances of each ARU and of the consolidated accounts could not be confirmed.
- (2) During the test check of the units it was seen that debit heads like inventories, bank balances, loan and advance have credit balance and credit heads like EMD, employee deduction, provision for payment to employees, SD/ EMD/bills passed due to contractor/ suppliers and deduction of taxes from contractors/ suppliers have debit balance in the trial balance which is not as per KWA's Account Manual.
- (3) On verification of accounts at units for the year 2017-18 in respect of various advances to employees, it was seen that the Divisions are not maintaining employee wise breakup of the amount reflected in the account like 1641 (Onam Advance). It is noticed that individuals are transferred from/ to other units of KWA on receiving the advance. However, the corresponding inter - office adjustment accounts in respect of transfers was not effected. Hence the correctness of the closing balance could not be confirmed.
- (4) Bank and Treasury balances of ₹579,38,25,768 includes twenty seven Bank/Treasury Accounts at HO Finance wing. It is prescribed in the KWA Accounts Manual 1993, Vol. V- Cash and Funds Accounting that "Cash Book in Form CB 8 shall be maintained at all Account Rendering Units (ARUs) and Sub-Divisions" and Head Office Finance Wing is an ARU having a location code of 5000.

However, no cash book is maintained for the twenty seven Bank/Treasury accounts. Hence the correctness of balance of these twenty seven Accounts could not be verified.

### IMPACT OF THE COMMENTS

The impact of the Comments on accounts for the year 2017-18 is as follows:

(₹ in crore)

Particulars	Increase	Decrease	Net Increase/Decrease (-)
Assets	1.42	18.66	-17.24
Liabilities	1.42	0	1.42
Expenditure	18.57	0	18.57
Income	0	0.09	-0.09



## D. GRANTS-IN-AID

Out of Grant in aid of ₹724.84 crore (₹724.81 crore received during the year and ₹0.03 crore interest), ₹159.95 crore is the opening balance. The Authority had utilised an amount of ₹944.68 crore with an excess utilization of ₹59.89 crore as on 31 March 2018. Project wise details of grants-in-aid are in Annexure II enclosed.

- (v) Subject to our observations in the preceding paragraphs, we report that the Balance sheet and Income & Expenditure Account dealt with by this report are in agreement with the books of accounts.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with the Accounting Policies and Notes on Accounts and subject to the significant matters stated above and other matters mentioned in Annexure-I to this Audit Report give a true and fair view in conformity with the accounting principles generally accepted in India.
- (a) In so far as it relates to the Balance Sheet of the state of affairs of the Kerala Water Authority as at 31 March 2018
- (b) In so far as it relates to the Income and Expenditure Account of the deficit for the year ended on that date.

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

*sd/*

अनिमचेरियान

ANIM CHERIAN

प्रधानमहालेखाकार (ले.प-1), केरल

तिरुवनंतपुरम/ Thiruvananthapuram

Dated: 31.08.2022

PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I), KERALA



## **ANNEXURE I**

### **1. Internal Audit System**

Internal Audit of the Authority is conducted by the Internal Audit Wing under the control of Accounts Member.

As on 31.03.2018, Kerala Water Authority had Administration Head Office, Finance wing, WASCON, CE JICA, Regional Offices at Thiruvananthapuram, Kochi and Kozhikode, 14 Circle Offices, 48 Divisions (total 69 ARUs) and 105 Sub divisions under the control of Divisions.

Out of the above, the internal audit for the period upto 31.03.2018 has been completed only in respect of 19 ARUs.

As such Audit is of the opinion that Internal Audit coverage does not commensurate with the size and nature of the Authority.

### **2. Internal Audit**

The major deficiencies noticed in the Internal Audit system are

- Internal Audit Manual explaining the mode and procedure to be followed have not been prepared by the Authority.
- The Internal Audit Wing is under the control of Accounts Member instead of under the direct control of the Chief Executive of the Authority.
- There were delays in complying with the audit paragraphs or taking corrective action by the field units.

### **3. Internal Control**

The Internal Control system in the Authority is deficient in the following areas:

1. Bank reconciliation is not being carried out by field offices in some bank accounts as stipulated in Vol. V, Chapter III – Accounting Procedures – (E) 6 of Kerala Water Authority Accounts Manual, 1993.
2. There are huge balances appearing in the inter office adjustment accounts including inter office adjustment accounts for fund transfer.
3. Write off of long pending dues from accounts are done through JVs without specific approval for the same from competent authority.

### **4. Inadequate accounting information**

1. Many of the account balances in Trial balances of Divisions/Sub divisions were altered/ revised at Head Office without proposing journal entries or without recording the reasons for the alteration/revision. The revisions made were not being incorporated in the books of accounts of the concerned Divisions/Sub divisions even after finalising the accounts. As a



result, the balances in the Unit trial balances were often at variance with the balances in Trial Balance considered for preparation of consolidated Accounts at the Head Office.

2. Subsidiary Ledgers of receivables and payables are not maintained by Field Units in the absence of which the correctness of the account balances and status of recovery potential/liability could not be ascertained.
3. In the absence of ARU wise break up of balances of each heads of accounts of assets and liabilities, the correctness of the same with the books of the ARUs could not be confirmed.
4. The Accounts Manual provides that the accounts shall contain details such as quantity of clear water produced and sold to domestic and non domestic consumers, Local Bodies, industrial consumers etc. However, the quantitative details of water produced and sold could not be compiled as the Authority did not have the accurate information.
5. The monthly accounts of Head Office does not include information regarding Finance wing.

#### **5. Absence of Stores records and physical verification of inventory.**

Priced Stores Ledgers are not maintained or kept up to date. Physical verification of stock is also not being carried out on regular basis. Hence in many of Account Rendering Units the stocks are having negative balances (Credit balances). Inter unit transfers of stock are also not being accounted and reconciled properly.

#### **6. Revenue records**

The revenue records of field units are also not being maintained properly. Many of the Divisions/ Sub divisions are accounting revenue on the basis of arbitrary estimates. Extent of revenue, doubtful of realisation are also not being assessed and systematically provided for.

#### **7. Interest on GPF**

GPF accounts of Individual employees are not made upto date. Hence the interest on GPF provided are based on estimate.

#### **8. Physical Verification of Fixed Assets**

Physical verification of Fixed Assets has not been conducted. Hence audit could not ensure the actual existence of the Assets. The Fixed Asset Register is pending updation since 31.03.2012.

The inter office control accounts including control account for transfer of current assets and fixed assets are not reconciled.

#### **9. Regularity in payment of statutory dues**

The Authority is generally regular in depositing undisputed statutory dues with appropriate authorities except water cess.

*Sd/-*

**Resident Audit Officer/Kerala Water Authority**

**ANNEXURE II**  
**GRANT IN AID**

Project wise details of Receipts and Utilisation of Grants-in-Aid during the year 2017-18  
(₹ in crores)

Sl. No	Name of the Project for which grants received	Amount of grant brought forward from previous year	Amount of grant received during the year	Interest/ Others	Audit Disallowance recouped	Total Grant received/ Funds available	Amount utilized during the year	Amount utilized as on 31.03.2018 carried forward to next year	Remarks
1	NRDWP	2.23	95.16	0.03	-	97.42	97.42	0	
2	Earmarked Schemes	-	-	-	-	-	-	-	
3	Others (NWQSM)	2.31	-	-	-	2.31	-	2.31	
4	Others (NITI Ayog)	19.73	-	-	-	19.73	1.33	18.4	
	<b>Total GOI</b>	<b>24.27</b>	<b>95.16</b>	<b>0.03</b>	<b>0</b>	<b>119.46</b>	<b>98.75</b>	<b>20.71</b>	
5	GOK (P)-State Plan	132.36	333.93	-	-	466.29	518.43	(52.14)	
	JICA	2.34	-	-	-	2.34	31.78	(29.44)	
6	GOK (NP)	-	280.97	-	-	280.97	280.97	0	
7	LAC-ADS	0.98	14.75	-	-	15.73	14.75	0.98	
	<b>Total GOK</b>	<b>135.68</b>	<b>629.65</b>	<b>0</b>	<b>-</b>	<b>765.33</b>	<b>845.93</b>	<b>(80.6)</b>	
	<b>Grand Total</b>	<b>159.95</b>	<b>724.81</b>	<b>0.03</b>	<b>0</b>	<b>884.79</b>	<b>944.68</b>	<b>(59.89)</b>	

Sd/-

Resident Audit Officer / Kerala Water Authority





## KERALA WATER AUTHORITY

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2018

	Schedule Reference	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b><u>SOURCES OF FUNDS</u></b>			
1 Kerala Water Authority Fund			
a. Contributions & Grants	A	75,97,23,99,796	71,87,80,44,923
b. Reserves & Surplus	B	3,56,55,04,378	3,56,55,04,378
2 Kerala Water Authority Loan Fund			
a. Secured Loans	C	60,74,48,450	70,80,81,098
b. Unsecured Loans & Deposits	D	67,01,16,73,001	61,36,97,80,304
<b>Total</b>		<b>1,47,15,70,25,625</b>	<b>1,37,52,14,10,703</b>
<b><u>APPLICATION OF FUNDS</u></b>			
1 Fixed Assets	E		
Gross Block		59,57,03,26,168	55,67,99,67,873
Less: Depreciation Reserve		18,71,91,34,667	17,44,48,84,527
Net Block		40,85,11,91,501	38,23,50,83,346
Capital Work in Progress		63,12,48,01,103	58,12,24,73,725
		1,03,97,59,92,604	96,35,75,57,071
2 Investments	F	61,26,44,902	55,21,14,694
3 Net Current Assets			
a. Current Assets	G	19,29,15,68,791	19,49,75,24,351
b. Current Liabilities	H	16,49,24,82,182	12,67,31,00,881
		2,79,90,86,609	6,82,44,23,470
4. Loans & Advances	I	2,85,36,94,617	2,24,30,98,620
5 Miscellaneous Expenditure to the extent not Written-off	J	-	-
6 Accumulated Excess of Expenditure over Income	K	36,91,56,06,893	31,54,42,16,848
<b>Total</b>		<b>1,47,15,70,25,625</b>	<b>1,37,52,14,10,703</b>

Schedules A to K and significant accounting policies and notes on the accounts 2.01 to 2.11 form an integral part of this Balance Sheet

**Shijith. V**  
Finance Manager & Chief Accounts Officer

**V. Ramasubramani**  
Accounts Member

**Venkatesapathy S. IAS**  
Managing Director



# KERALA WATER AUTHORITY

## INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2018

	Schedule Reference	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b>INCOME</b>			
1 Operating Income			
a. Consumers	L	6,22,85,11,241	5,84,25,71,055
b. Others	M	7,05,04,611	1,14,08,878
		6,29,90,15,852	5,85,39,79,933
2 Grants & Subventions - Government of Kerala		2,80,97,47,800	2,96,55,75,000
3 O&M Grant from Government of India		3,65,69,000	10,46,52,000
4 Interest Income	N	27,01,67,589	23,40,65,812
5 Other Non-Operative Income	O	2,28,52,17,089	1,84,58,11,035
		11,70,07,17,330	11,00,40,83,780
<b>Total Income</b>			
<b>EXPENDITURE</b>			
1 Operating & Maintenance Expenses	P	3,70,26,70,843	3,35,34,69,906
2 Payment & Provision to Employees	Q	8,56,99,10,020	7,38,28,65,441
3 Office expenses	R	18,00,62,355	15,89,01,550
4 Travelling & Conveyance Expenses		5,00,52,748	5,21,76,182
5 Administrative Expenses	S	1,53,22,378	7,08,08,922
6 Debtors written off	T	93,98,85,248	
6 Assets and losses written off	U	-	-
7 Provision for Doubtful Debts	V	-	-
8 Interest on			
a. Secured Loans		6,14,13,690	12,05,34,088
b. Government of Kerala Loans		2,64,26,87,000	2,64,04,26,000
c. GPF		27,49,97,896	24,22,23,825
		2,97,90,98,586	3,00,31,83,913
9 Depreciation	E	1,27,42,50,140	1,18,84,14,315
		17,71,12,52,318	15,20,98,20,229
<b>Total Expenditure</b>			
10 Transferred to Capital Work-In-Progress	W	61,44,68,967	46,80,07,921
		17,09,67,83,351	14,74,18,12,308
<b>Excess of Expenditure over Income</b>		5,39,60,66,021	3,73,77,28,528
11 Prior Period Adjustments	X	(2,46,75,976)	17,25,630
<b>Excess of Expenditure over Income after prior period adjustments</b>		5,37,13,90,045	3,73,94,54,158

Schedules L to W and significant accounting policies and notes on the accounts 2.12 to 2.14 form an integral part of this Income & Expenditure Account

**Shijith. V**  
Finance Manager & Chief Accounts Officer

**V. Ramasubramani**  
Accounts Member

**Venkatesapathy S. IAS**  
Managing Director



# KERALA WATER AUTHORITY

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2018

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b>SCHEDULE - A</b>		
<b>CONTRIBUTIONS &amp; GRANTS</b>		
1 Net value of Assets taken over from erstwhile P.H.E.D	4,34,53,27,735	4,34,53,27,735
2 Contribution & Grants from Government of Kerala	48,76,54,75,329	45,07,01,84,673
3 Interest free fund from GOK	7,13,22,51,632	7,13,22,51,632
Less : Amount released to :		
a. Urban L.C.S Schemes	3,65,25,750	3,65,25,750
b. Rural L.C.S Schemes	3,94,97,200	3,94,97,200
c. Kerala Urban Development Project	3,60,00,000	3,60,00,000
	7,02,02,28,682	7,02,02,28,682
4 Contribution & Grants from Government of India	17,25,08,16,284	16,80,80,66,303
Less : Amount released to District Collectors and Kerala Rural Water Sanitation Agency	2,28,95,61,750	2,24,58,75,986
	14,96,12,54,534	14,56,21,90,317
5 Donated capital assets	18,14,530	18,14,530
6 Capital contribution from other sources	87,82,98,986	87,82,98,986
	<b>75,97,23,99,796</b>	<b>71,87,80,44,923</b>
<b>SCHEDULE - B</b>		
<b>RESERVES &amp; SURPLUS</b>		
Reserve for deposit works	3,56,55,04,378	3,56,55,04,378
	<b>3,56,55,04,378</b>	<b>3,56,55,04,378</b>
<b>SCHEDULE - C</b>		
<b>SECURED LOANS</b>		
1 Loan from LIC of India	61,05,63,419	70,69,35,125
2 Loan from HUDCO	-	-
3 Bank Loan	(31,14,969)	11,45,973
	<b>60,74,48,450</b>	<b>70,80,81,098</b>
<b>SCHEDULE - D</b>		
<b>UNSECURED LOANS &amp; DEPOSITS</b>		
1 Loan from Govt of Kerala	23,32,73,83,580	23,32,73,83,580
2 Interest accrued on GOK Loan	19,88,59,40,000	17,24,85,53,000
3 Deposit from local bodies	4,54,88,56,509	4,52,90,14,888
4 Security Deposit	2,27,31,37,684	1,95,38,07,877
5 Earnest Money Deposit	7,72,29,672	7,87,94,761
6 Water & Sewerage Connection Deposits	12,11,09,319	9,03,61,802
7 Deposit work-Water Supply & Sewerage	13,25,48,07,261	11,66,00,79,327
8 Other deposits	3,52,32,08,976	2,48,17,85,069
	<b>67,01,16,73,001</b>	<b>61,36,97,80,304</b>

Finance Manager & Chief Accounts Officer

Accounts Member

Managing Director



**SCHEDULE FORMING PART OF BALANCE SHEET AS ON 31-03-2018 ( Contd....)**  
**KERALA WATER AUTHORITY**

**SCHEDULE OF FIXED ASSETS AS AT 31st MARCH 2018** **SCHEDULE - E**

DESCRIPTION	GROSS BLOCK			DEPRECIATION BLOCK		NET BLOCK	
	BALANCE AS ON 01/04/2017	ADDITIONS DURING THE YEAR	AS ON 31-03-2018	BALANCE AS ON 01/04/2017	DEPRECIATION UPTO 31-03-2018	CURRENT YEAR	PREVIOUS YEAR
FREE HOLD LAND	1,75,60,63,121	2,63,45,000	1,78,24,08,121	-	-	1,78,24,08,121	1,75,60,63,121
LAND DEVELOPMENT EXPENDITURE	7,48,73,240	-	7,48,73,240	-	-	7,48,73,240	7,48,73,240
CIVIL WORKS	21,67,18,40,581	1,31,37,60,186	22,98,56,00,767	5,42,77,75,231	5,96,00,43,154	17,02,55,57,613	16,24,40,65,350
BUILDINGS	1,97,52,28,415	6,68,01,499	2,04,20,29,914	54,03,47,505	57,72,28,882	1,46,48,01,032	1,43,48,80,910
PLANT AND MACHINERY	4,91,36,03,021	57,26,18,648	5,48,62,21,669	2,50,88,75,539	2,69,71,43,339	2,78,90,78,330	2,40,47,27,482
MAINS AND NETWORKS	24,48,18,84,002	1,78,37,75,804	26,26,56,59,806	8,51,53,63,884	9,00,54,69,767	17,26,01,90,039	15,96,65,20,118
ROADS BRIDGES AND CULVERTS	36,74,53,074	11,42,75,000	48,17,28,074	18,67,37,259	19,54,62,426	28,62,65,648	18,07,15,815
VEHICLES	14,26,32,838	16,53,988	14,42,86,826	9,37,35,620	70,29,503	4,35,21,703	4,88,97,218
FURNITURE, FIXTURES & OFFICE EQUIPMENTS	29,63,89,581	1,11,28,170	30,75,17,751	17,20,49,489	1,09,72,487	12,44,95,775	12,43,40,092
<b>Total</b>	<b>55,67,99,67,873</b>	<b>3,89,03,58,295</b>	<b>59,57,03,26,168</b>	<b>17,44,48,84,527</b>	<b>1,27,42,50,140</b>	<b>40,85,11,91,501</b>	<b>38,23,50,83,346</b>



	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
GROSS BLOCK OF FIXED ASSETS	59,57,03,26,168	55,67,99,67,873
LESS : ACCUMULATED DEPRECIATION	18,71,91,34,667	17,44,48,84,527
NET VALUE OF FIXED ASSETS	40,85,11,91,501	38,23,50,83,346
ADD : CAPITAL WORK-IN-PROGRESS [ACCOUNT CODE 11	63,12,48,01,103	58,12,24,73,725
<b>Total</b>	<b>1,03,97,59,92,604</b>	<b>96,35,75,57,071</b>

Finance Manager & Chief Accounts Officer

Accounts Member

Managing Director



**KERALA WATER AUTHORITY**  
**SCHEDULES FORMING PART OF BALANCE SHEET (Contd....)**

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b><u>SCHEDULE - F</u></b>		
<b><u>INVESTMENTS</u></b>		
Investment for Pension / PF	61,26,44,902	55,21,14,694
<b><u>SCHEDULE - G</u></b>		
<b><u>CURRENT ASSETS</u></b>		
1 Inventory :		
a. Stores, Tools & Spares	78,29,04,171	78,19,65,681
b. Consumables	13,30,26,980	12,60,79,634
c. Others	-	-
	<b>91,59,31,151</b>	<b>90,80,45,315</b>
2 Sundry Debtors :		
a. Consumers		
i. Local bodies dues - water & maintenance charges	3,06,47,25,229	2,99,28,95,434
ii. Domestic, Non-domestic & Industrial dues	10,07,72,62,955	8,13,98,02,284
b. LIC Loan repayment due from Local Bodies	17,61,43,755	17,61,43,755
c. Others	96,05,532	96,76,282
	<b>13,32,77,37,471</b>	<b>11,31,85,17,755</b>
3 Cash & Bank Balances :		
a. Bank & Treasury balances	<b>5,79,38,25,768</b>	<b>7,22,17,87,833</b>
b. Cheques & Bills in transit	-	-
c. Cash on hand	24,23,715	40,16,917
	5,79,62,49,483	7,22,58,04,750
4 Other Current Assets :		
Inter office & other suspense account balances	(74,83,49,314)	4,51,56,531
	<b>19,29,15,68,791</b>	<b>19,49,75,24,351</b>

Finance Manager & Chief Accounts Officer

Accounts Member

Managing Director



**KERALA WATER AUTHORITY**  
**SCHEDULES FORMING PART OF BALANCE SHEET (Contd....)**

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b><u>SCHEDULE - H</u></b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
1 Current Liabilities		
a. Sundry Creditors :		
i. Payment to employees	1,16,80,55,784	91,96,56,386
ii. For expenses	10,71,74,25,735	7,95,86,70,014
iii. For contractors/suppliers	(5,60,23,850)	(5,70,91,679)
b. Statutory employees deductions :		
i. General provident fund	4,17,76,58,485	3,47,93,91,210
ii. NMR PF	5,49,84,673	5,51,53,292
iii. Others	(2,81,12,189)	(2,20,41,515)
c. Sales-Tax Collection	3,76,70,260	2,63,81,896
d. Tax Deducted at Source	(1,09,37,496)	(2,41,21,990)
e. Other Current liabilities	44,67,99,164	37,30,39,544
f. Interest Accrued on Loans	8,93,80,703	8,23,97,134
	16,59,69,01,269	12,79,14,34,292
2 Control Account Balances	(10,44,19,087)	(11,83,33,411)
	<b>16,49,24,82,182</b>	<b>12,67,31,00,881</b>
<b><u>SCHEDULE - I</u></b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
1 Loans & advances to employees	(1,28,21,681)	(1,49,08,398)
2 Advances for expenses	3,55,16,730	3,19,31,202
3 Advances to suppliers / contractors	2,19,52,79,939	1,62,22,87,237
4 Revolving fund to Local Bodies	19,08,803	19,08,803
5 Advances - Others	79,67,912	1,05,96,740
6 Claims recoverable	20,94,45,353	21,03,27,518
7 Contribution Deposit - KSEB	2,82,97,884	1,00,36,444
8 Consumer Deposit - KSEB	18,53,75,974	17,65,90,864
9 Deposit with PWD	4,51,77,997	3,60,99,089
10 Deposit with others	10,06,28,735	10,13,12,150
11 Advances for capital expenditure	5,69,16,971	5,69,16,971
	<b>2,85,36,94,617</b>	<b>2,24,30,98,620</b>

Finance Manager & Chief Accounts Officer

Accounts Member

Managing Director



**KERALA WATER AUTHORITY**  
**SCHEDULES FORMING PART OF BALANCE SHEET (Contd....)**

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b><u>SCHEDULE - J</u></b>		
<b><u>MISC EXPENDITURE NOT WRITTEN OFF</u></b>		
Miscellaneous Expenses to the extent not written off	-	-
<b><u>SCHEDULE - K</u></b>		
<b><u>ACCUMULATED EXCESS OF EXPENDITURE OVER INCOME</u></b>		
Balance as on the begning of the year	31,54,42,16,848	27,80,47,62,690
Add : Current years excess of expenditure over income	5,37,13,90,045	3,73,94,54,158
	<b>36,91,56,06,893</b>	<b>31,54,42,16,848</b>

Finance Manager & Chief Accounts Officer

Accounts Member

Managing Director



# KERALA WATER AUTHORITY

## SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT

AS AT 31st MARCH, 2018

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b>SCHEDULE - L</b>		
<b>OPERATING INCOME - CONSUMERS</b>		
1 Operating income - water supply		
a. Domestic Consumers	2,55,82,69,027	2,25,10,24,794
b. Nondomestic Consumers	2,14,85,95,204	2,16,70,07,240
c. Industrial Consumers	16,56,62,978	15,25,22,050
	<b>4,87,25,27,209</b>	<b>4,57,05,54,084</b>
2 Operating income - Sewerage		
a. Domestic Consumers	18,91,020	12,44,379
b. Nondomestic Consumers	11,22,833	32,81,195
	<b>30,13,853</b>	<b>45,25,574</b>
3 Income from local bodies	1,35,29,70,179	1,26,74,91,397
	<b>6,22,85,11,241</b>	<b>5,84,25,71,055</b>
<b>SCHEDULE - M</b>		
<b>OPERATING INCOME - OTHERS</b>		
1 Centage charges	5,77,78,734	88,11,337
2 Storage charges	33,35,928	82,233
3 Supervision charges	20,64,013	19,58,484
4 Miscellaneous recoveries	73,25,936	5,56,824
	<b>7,05,04,611</b>	<b>1,14,08,878</b>
<b>SCHEDULE - N</b>		
<b>INTEREST INCOME</b>		
1 Interest on loans & advances	51,59,048	4,41,98,541
2 Interest on deposits	26,50,08,541	18,98,67,271
	<b>27,01,67,589</b>	<b>23,40,65,812</b>
<b>SCHEDULE - O</b>		
<b>OTHER NON-OPERATING INCOME</b>		
1 Income as recoveries	2,14,44,29,629	1,74,21,38,227
2 Claims recoverable	23,214	31,332
3 Miscellaneous income	14,07,64,246	10,36,41,476
	<b>2,28,52,17,089</b>	<b>1,84,58,11,035</b>

Finance Manager & Chief Accounts Officer

Accounts Member

Managing Director



# KERALA WATER AUTHORITY

## SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT (Contd...)

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b>SCHEDULE - P</b>		
<b>OPERATING &amp; MAINTENANCE EXPENSES</b>		
1 Consumption of Stores, Tools & Spares	11,17,66,081	9,01,43,408
2 Consumables	7,46,60,675	5,73,27,786
3 Power charges	2,75,36,14,256	2,57,75,93,612
4 Insurance	18,78,852	19,38,909
5 Other operating expenses	2,30,38,974	2,22,97,129
6 Repairs & Maintenance of water supply	68,03,42,754	51,82,61,164
7 Repair & Maintenance of sewerage	3,36,07,487	6,27,46,371
8 Vehicle maintenance	2,37,61,764	2,31,61,527
	<b>3,70,26,70,843</b>	<b>3,35,34,69,906</b>
<b>SCHEDULE - Q</b>		
<b>PAYMENT AND PROVISION TO EMPLOYEES</b>		
1 Salaries and Allowances	5,12,97,40,647	4,27,01,02,194.00
2 Welfare Expenses and other employee benefits	11,57,41,797	17,20,52,240.00
3 Casual labour wages and other payments	82,41,84,012	77,51,44,029.00
4 Service Pension and Family Pension	2,07,19,32,746	2,16,32,06,832.00
5 Commuted Value of Pension	24,38,64,771	6,00,906.00
6 Gratuity of Employees	18,44,46,047	17,59,240.00
	<b>8,56,99,10,020</b>	<b>7,38,28,65,441</b>
<b>SCHEDULE - R</b>		
<b>OFFICE EXPENSES</b>		
1 Rent	29,21,815	26,77,040
2 Rates & Taxes	59,34,737	1,15,67,082
3 Postage, Telegram, Telephone & Telex	1,98,36,148	1,33,54,524
4 Printing & Stationery	2,21,62,453	1,81,30,447
5 Exhibition & Publicity	1,58,77,717	1,45,73,488
6 Training & other expenses	55,92,675	60,88,029
7 Electricity charges	8,02,18,645	4,85,05,511
8 Other office expenses	2,75,18,165	4,40,05,429
	<b>18,00,62,355</b>	<b>15,89,01,550</b>
<b>SCHEDULE - S</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
1 Board meeting expenses	2,51,711	77,231
2 Professional fees	61,23,391	6,26,03,010
3 Payment to auditors	52,74,430	65,73,828
4 Bank Charges	10,18,089	7,15,714
5 Other administrative expenses	26,54,757	8,39,139
	<b>1,53,22,378</b>	<b>7,08,08,922</b>

Finance Manager & Chief Accounts Officer

Accounts Member

Managing Director



# KERALA WATER AUTHORITY

## SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT (Contd...)

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b><u>SCHEDULE - T</u></b>		
<b>WRITE OFFs</b>		
Local Bodies dues written off	93,98,85,248	-
Consumers Written Off - OTS		
	<b>93,98,85,248</b>	-
 <b><u>SCHEDULE - U</u></b>		
<b>ASSETS WRITTEN OFF</b>		
	-	-
 <b><u>SCHEDULE - V</u></b>		
<b>PROVISION FOR BAD &amp; DOUBTFUL DEBTS</b>		
		-
 <b><u>SCHEDULE - W</u></b>		
<b>TRANSFER OF REVENUE EXPENSES TO CWIP</b>		
Establishment Charges (Share Debit)	61,44,68,967	46,80,07,921
Interest on loan from Fis & Banks		
	<b>61,44,68,967</b>	<b>46,80,07,921</b>
 <b><u>SCHEDULE - X</u></b>		
<b>PRIOR PERIOD ADJUSTMENTS</b>		
PPA of Depreciation		
PPA of Other Income	(1,68,508)	17,13,585
PPA of Operating expenses	3,11,792	12,465
PPA Rates & Taxes - Water Cess		
PPA Repairs & Maintenance WSS		(220)
PPA Investements	(2,48,44,364)	
PPA Bank Charges		
PPI OI from D Consumers		
PPA Salaries of Employees	25,104	(200)
	<b>(2,46,75,976)</b>	<b>17,25,630</b>

**Shijith. V**  
Finance Manager & Chief Accounts Officer

**V. Ramasubramani**  
Accounts Member

**Venkatesapathy S. IAS**  
Managing Director



# **KERALA WATER AUTHORITY**

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

### **1. NATURE OF OPERATION.**

Kerala Water Authority was established on 1st April 1984 as an autonomous body of Government of Kerala by converting the erstwhile Public Health Engineering Department, for the development and regulation of water supply and waste water collection and its disposal in the State of Kerala and for matters connected therewith through a legislation called "The Kerala Water Supply and Sewerage Act, 1986" w.r.e.f 01.03.1984. Water Authority implements Water Supply Schemes in the State with the Grant-in-aid of State Government as well as the Central Government. It also implements Water Supply Schemes for other Departments/Bodies on Deposit works basis. Water Authority collects water charges at the tariff rates fixed by the State Government from the consumers for the supply of potable water.

### **2. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON THE ACCOUNTS**

#### **2.01 BASIS OF ACCOUNTING AND PREPERATION OF FINANCIAL STATEMENTS:**

The financial statements of the Authority have been prepared in accordance with the Generally Accepted Accounting Principles in India and as per the accounting policies specified in the Kerala Water Authority Accounts Manuel. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements is consistent with those followed in the previous years.

#### **2.02 GRANT-IN-AID.**

2.02.1 Kerala Water Authority receives Grant in aid from the Government of Kerala as well as from Government of India for the implementation of Water Supply/Sewerage Schemes in the State, towards meeting the establishment expenditure and operation & maintenance expenditure.

2.02.2 The Grant in aid received under plan schemes is booked as Contributions and Grants which form part of the Kerala Water Authority Fund. The Grant in Aid received under non-plan is recognized as income for the year and is shown in the Income & Expenditure Account. As per the NRDWP guidelines, 15% of the total amount received from Government of India towards implementation of the Schemes (Programme funds) have been recognized as income and is shown in the Income & Expenditure Account. Interest earned on the bank account maintained for keeping the NRDWP funds have been treated as funds received from Government of India as per the guidelines.





2.02.3 During the financial year the total amount of Grant in Aid received is detailed as follows.

₹ in Crore

Sl No.	Source	Amount	Plan/Non Plan	Expenditure (including OB)
1	Government of Kerala	351.53	Plan	564.96
2	Government of Kerala	280.97	Non Plan	280.97
3	Government of India	47.80	Plan	94.40

During the financial year 2017-18, GoK released an amount of ₹ 453.08 Crore under state plan schemes and Government resumed an amount of ₹ 101.55 Crore at the end of the financial year for which ways and means clearance is not obtained. Hence the amount available at the disposal of the Authority for the financial year is only ₹ 351.53 Crore. Authority utilized an amount of ₹ 564.96 Crore for State plan schemes from the opening balance and from retention account.

During the financial year GoK released an amount of ₹312.19 Crore as Non Plan Grant and Government resumed an amount of ₹ 31.22 Crore at the end of the financial year. Hence, the amount available at the disposal of the Authority for the financial year is only ₹ 280.97 Crore. KWA utilized the entire amount of ₹ 280.97 Crore during the year itself.

Government of India released an amount of Rs. 95.16 Crore to Government of Kerala. Out of the above; Government of Kerala released an amount of ₹ 72.80 Crore only to Kerala Water Authority. However, GoK resumed an amount of Rs. 25.00 Crore from the treasury account of Kerala Water Authority on 31.03.2018. Hence the amount available at the disposal of the Authority for the financial year is Rs. 47.80 Crore only. KWA utilized an amount of ₹94.40 Crore for NRDWP Schemes which includes an amount of ₹ 3.66 Crore being the O&M provision of 15% of the programme funds have been transferred to income and expenditure account as per NRDWP guidelines. The excess amount is met from opening balance and State share to avoid the possibility of loss of central share for the year 2018-19 due to the delay in getting ways and means clearance and shortage of release of funds from GoK.

#### 2.02.4 Contribution and Grants Schedule-(A)

2.02.4.1 This consists of (i) the investment of the Government in the Authority by way of transfer of net assets on the date of establishment of the Authority. (ii) All contributions and Grants (Plan) received by the Authority from Government of Kerala and Government of India since its formation. (iii) All assets received by way of donations valued at fair market value (iv) all other miscellaneous grants & contributions received from other sources (Capital) and (v) Interest free fund from GOK being the conversion of GOK loan.

2.02.4.2 Amount released to District collectors for the implementation of Water Supply Schemes to Scheduled Caste/Scheduled Tribes habitations and amount released to Kerala Rural Water Sanitation Agency out of the Government of India Grant is shown as a deduction in the schedule.

2.02.4.3 As there was no separate release of funds from Government for Low Cost sanitation (LCS) project, an amount equal to the payment made by Kerala Water Authority for LCS Schemes is shown as a deduction in the schedule.



### **2.03 RESERVES & SURPLUS.**

The Accounts Manual envisages for transfer of deposit money received against water/sewer deposit works to “reserve for deposit works” on effective completion of such works which are not handed over to the depositors. Works completed under the deposit received up to 31<sup>st</sup> March 2012 have been transferred to ‘Reserve for Deposit Works’ as the updation of fixed assets register and analysis of asset related items including deposit works are done up to 31-03-2012.

### **2.04 SECURED LOANS.**

2.04.1 The secured loan include the outstanding amount of the loan from LIC of India availed by KWA.

2.05 The security for the loan is mainly given as a charge by way of hypothecation of all KWA’s movables (save as except book debts) including movable machinery, machinery spares, tools and accessories present and future pertaining to the projects for which loan is taken subject to the prior charges created and or to be created in favor of the borrowers bank for working capital facilities over the borrower raw materials, semi-finished and finished goods consumable stores book debts and such other movables as may be agreed to by the bank. The Government of Kerala guarantees loan taken from LIC.

### **2.06 UNSECURED LOANS**

2.06.1 Unsecured Loans include the Loan received for executing the Water Supply Schemes funded by JICA. KWA has requested for conversion of loan received from Government for the period from 2007-08 to 2016-17 amounting to ₹ 2332.74 crores as grant and to write-off the interest due thereon upto 31/03/2017. Earlier Government vide order GO Rt No: 122/2017/WRD Dated: 15/02/2017 had issued orders for converting an amount of ₹ 713.00 crores as Capital contribution and written off the interest due on the same amounting to ₹1004 crore (upto 31.03.2007). As the proposal for conversion of loan has not been rejected by the Government and further Orders in favor of KWA is awaited. As such provision for penal interest as mentioned in G.O at the rate of 2.50% amounting to ₹ 433.29 crores has not been provided in the annual accounts. Interest on Government of Kerala loan, amounting to ₹ 263.74 Crore for the year 2017-18 has been provided.

2.06.2 All the deposit figures stated are subject to reconciliation by individual divisions.

### **2.07 FIXED ASSETS**

2.07.1 The fixed assets of the Authority have been shown in the books of accounts at historical cost.

2.07.2 The value of fixed assets ₹ 10397.60Crore represents (i) The value of fixed assets and capital work in progress vested in and transferred to the Authority amounting to ₹ 421.83Crore and (ii) The additions made by the Authority since its formation, after providing for depreciation there on is ₹ 9975.77Crore.

2.07.3 The fixed assets register has been updated up to the year 2011-12. Action is in progress to update the same for the financial from 2012-2013. The expenditure incurred towards Water Supply Schemes/Sewerage Schemes are first booked as Capital Work in Progress and on



successful commissioning of the schemes, the same is transferred to corresponding fixed assets. The analysis and updation of fixed assets register and asset related matters is done up to 31-03-2012 only. Year wise capitalization of assets are ;

₹ in crore

Financial Year	Value of Assets Capitalized
2005-06 to 2012-13	2,408.31
2013-14	170.66
2014-15	235.23
2015-16	213.88
2016-17	145.44
2017-18	385.16

**2.08 Investment for pension/GPF** represents money kept in Fixed Deposits with District treasury. It include interest accrued but not due as on 31-03-2018 amounting to ₹ 0.37Crore.

## **2.09 CURRENT ASSETS**

2.09.1 The stock figures stated are subject to reconciliation with individual divisions.

2.09.2 Closing Stock is valued on FIFO basis.

2.09.3 The current assets include dues from local bodies on account of loans availed from LIC amounting to ₹ 17.61Crore.

2.09.4 The sundry debtor's balances have not been reconciled. KWA is treated as "State" and the arrears due are treated as arrears of land revenue and proceeded further for the recovery and as such no provision has been made for bad and doubtful debts. GoK has clarified this vide letter No.WS-C2/I8312021-WRD dated 26/02/2022.

2.09.5 The reconciliation of inter office balances is in progress.

2.09.6 The inter office and suspense account balances includes the following:

Inter office Accounts ₹ 32.39 Crore (Credit) and Cash and bank suspense accounts including accumulated difference in receipts and payment statement for the years 1984-85 to 2017-18 amounting to ₹ 0.049 Crore (Credit).

## **2.10 CURRENT LIABILITIES**

2.10.1 The balance shown under Statutory Employee's deduction of GPF and NMR-PF is net of advances given to the employees under respective heads.

2.10.2 The GPF balance had not been reconciled with individual accounts and the same is in progress.



2.10.3 Interest on GPF are provided at the following rates.

Period		% of Interest
From	To	
01.04.1999	31.03.2000	12.00
01.04.2000	31.03.2001	11.00
01.04.2001	31.03.2002	9.50
01.04.2002	31.03.2003	9.00
01.04.2003	30.11.2011	8.00
01.12.2011	31.03.2012	8.60
01.04.2012	31.03.2013	8.80
01.04.2013	31.03.2018	8.70

2.10.4 The liability on Gratuity and Pension to the employees is being accounted on cash basis.

2.10.5 Control account balance of ₹ 10.44 Crore (Debit) represents, balance under control account capital expenditure others.

2.10.6 The details of receipt of non cash securities including security pledged in the form of FD's etc and bank guarantee are recorded in register of securities maintained in form FA6 as stipulated in the Accounts manual and is not incorporated in accounts since there is no cash flow.

## 2.11 LOANS AND ADVANCES

2.11.1 Balances of loans and advances given to the employees together with interest thereon have not been reconciled with the individual accounts.

## 2.12 REVENUE RECOGNITION.

2.12.1 Revenue from Water Charges is recognized immediately on rising of bills and necessary provisional income is included in respect of water supplied and ascertained but remaining unbilled.

2.12.2 Unbilled fines and penalties are considered as income, as and when collected.

2.12.3 Grants and Subventions received towards meeting establishment, operation and maintenance expenditure have been considered as income of the year, based on actual receipt.

2.12.4 Interest on bank account/bank FD's are booked on accrual basis.

2.12.5 No provision for bad and doubtful debts is provided for in the books of accounts for the year.

## 2.13 INTEREST EXPENDITURE.

2.13.1 This includes interest for loan taken from LIC Loan amounting to ₹ 6.14Crore. Interest on Government of Kerala Loan include interest due on Government loans (₹ 263.74Crore), Guarantee Commission paid to Government (₹ 0.53 Crore)and rupee equivalent of funds due from State Government to Central Government.



## **2.14 DEPRECIATION**

- 2.14.1 Depreciation has been provided for on straight-line method so as to write off 90% of the cost/value of the fixed assets over the estimated useful life of the assets concerned as per the Kerala Water Authority (Depreciation Reserve and its Utilization) Rules 1992.
- 2.14.2 The total amount of depreciation reserve created amounting to ₹ 1871.91Crore includes depreciation of ₹ 50.09 Crore provided on Fixed Assets created out of Deposit works up to 31-03-2012.

## **2.15 PRIOR PERIOD ADJUSTMENT**

- 2.15.1 Prior period adjustment for the year 2017-18 consist of the provision created for the accrued interest amount of to ₹ 2.48 Crore on FD with SBI Kowdiar and ₹ 93.99 Crore being the LSGD dues written off as per the decision taken in the meeting chaired by the Chief Secretary on 16-03-2018.

## **2.16 GENERAL**

- 2.16.1 In order to absorb project overheads on capital works, a transfer of revenue expenditure to capital work-in-progress is made @ 5.00 % to 12.50 % for schemes on the capital expenditure.
- 2.16.2 Previous year figures have been re-grouped/re-classified wherever necessary.
- 2.16.3 Leave encashment of the employees have been accounted on cash basis.
- 2.16.4 According to the accounts manual framed under Regulation 65(f) of the Act, provision for gratuity and pension liability accrued shall be made in the accounts of the authority in such manner as may be deemed appropriate by the authority. Kerala Water Authority accounts for pension/gratuity in cash basis as this alone is practical.

**Shijith. V**  
Finance Manager & Chief Accounts Officer

**V. Ramasubramani**  
Accounts Member

**Venkatesapathy S. IAS**  
Managing Director



## **REPLY TO THE SEPARATE AUDIT REPORT ON THE ACCOUNTS OF KERALA WATER AUTHORITY FOR THE YEAR ENDED ON 31-03-2018**

### **A. BALANCE SHEET**

#### **1. Sources of Funds**

##### **1.1 Kerala Water Authority Fund**

###### **1.1.1 Contributions and Grants (Schedule A) - ₹ 7597,23,99,796**

###### **1.1.1.1. Contribution and Grant from GoI - ₹ 1725,08,16,284**

**Less amount to Dist. Collectors and Rural Water Sanitation Agency- ₹ 228,95,61,750**

The amount released to District collectors for the implementation of Water Supply Schemes to Scheduled Caste/Scheduled Tribes habitations and amount released to Kerala Rural Water Sanitation Agency (KRWSA) out of the Government of India Grant was shown as a deduction in the schedule as a part of Gross Concept followed in the preparation of accounts. The amount shown in the Balance sheet represents the actual release made by KWA and not based on utilization. The amount unutilized are received back whenever the same is reported by the District Collector concerned

###### **1.1.2. Reserves and Surplus (Schedule B) - ₹ 356,55,04,378**

The reserve equal to the amount of depreciation provided on the asset created out of Deposit works as Income will be done upon updation of Fixed Assets Register. As on the date, the Fixed Assets Register is updated only till 31 March 2012. An action plan has been formulated to update the Fixed Asset register and the verification will be conducted of other assets thereafter.

#### **2. Application of Funds**

##### **2.1 Fixed Assets (Schedule E) - ₹ 103,97,59,92,604**

###### **2.1.1 Gross Block - ₹ 59,57,03,26,168**

Fixed Asset register of KWA was updated up to 31.03.2012 only. Necessary actions have been initiated to update the Fixed Asset Register as envisaged in the Accounts Manual. Form FA 15 will be updated along with the Fixed Asset Register updation being done from 2012-13 onwards. It was also directed to all ARUs that the FA13 must be maintained and submitted at the end of every FY. As such capitalisation of fixed assets were done for an amount of Rs. 385.16 crore for the FY 2017-18.

**2.1.2** KWA has formulated a plan for the updation of fixed asset register from 01.04.2012. Systematic recording of Work In progress as suggested by the audit team would be done in the books of accounts in the forthcoming years while incorporating the correction entries regarding the fixed asset register and the matters connected with fixed assets. Fixed Asset Register of the Authority is up dated till 31-03 2012 by a consultant appointed by the Authority. The value of fixed assets capitalised for the year 2017-18 is Rs 385.16 crore and the depreciation thereto have been provided as per rule.



## **2.2. Net Current Asset - ₹ 279,90,86,609**

### **2.2.1. Current Asset (Schedule G) - ₹ 19,29,15,68,791**

#### **2.2.1.1 Inventory**

##### **2.2.1.1.1 Stores Tools & Spares - ₹ 78,29,04,171**

As pointed out by AG, necessary corrections have already been incorporated in the Annual Accounts.

##### **2.2.1.2 Sundry Debtors - ₹ 1332,77,37,471**

###### **2.2.1.2.1 Consumers**

###### **2.2.1.2.1.1 Domestic, Non domestic and Industrial dues - ₹ 1007,72,62,955**

Kerala Water Authority being an autonomous authority, fully owned and controlled by Govt of Kerala, established under the Kerala Water Supply and Sewerages Act 1986 for the development and regulation of Water Supply and Waste water collection and disposal. As such KWA can be treated as "Other Authorities" as provided under Article 12 of the Constitution and hence it is a State within the meaning of Article 12 of the Constitution. GoK have clarified this vide letter No.WS-C2/I8312021-WRD dated 26/02/2022. Since KWA is treated as "State" the arrears are treated as arrears of land revenue and proceeded further for the recovery and the provision for bad debts are not provided. Moreover, out of the total arrears of water charges, majority is due from Govt departments/LSGIs. Earnest efforts are taken to arrive at a realistic arrears by tracing out the unidentified connections by conducting Internal Revenue Adalaths to verify and eliminate the unidentified connections.

###### **2.2.1.2.1.2. LIC loan repayment due from Local Bodies - ₹17,61,43,755**

As pointed out by Audit, as the dues are not recoverable, necessary action has been initiated to write off the dues.

###### **2.2.1.2.1.3. Others - ₹96,05,532**

As pointed out by Audit, as the dues are not recoverable, necessary action has been initiated to write off the dues.

###### **2.2.1.3 Other Current Assets**

###### **2.2.1.3.1 Inter Office and other suspense account balances - ₹ (74,83,49,314)**

(a) Instructions are issued for reconciliation of the inter office accounts. As a part of the efforts, the inter office account have been reduced to Rs.74,83,49,314 as against Rs.92,32,65,692 and is reflected in the revised accounts forwarded to AG.

(b) The amount transferred and accounted by Division/Sub Divisions under Account code 9134 is yearly verified as prescribed in the Accounts Manual. Instructions have been issued to reconcile the balance and rectify the mistake.

## **2.2.2. Current Liabilities (Schedule H) - ₹ 1649,24,82,182**

### **2.2.2.1. Sundry creditors**

#### **2.2.2.1.2 For contractors/suppliers - ₹ (5,60,23,850)**

(1) The debit balance in the contractors/ suppliers account are mainly brought forward from



previous years audited annual accounts and the same is being scrutinized and necessary steps have been taken to rectify the same and update in the accounts.

(2) Since, the Work completion is not pertaining to the FY 2017-18, the same has not been incorporated in the annual accounts for the year 2017-18. The Payment wise entry for the completed works have been made on yearly basis as and when the payments are effected.

#### **2.2.2.2. Statutory employee deduction**

##### **2.2.2.2.1 General Provident fund - ₹ 4,17,76,58,485**

Currently, the GPF Credit Card details are updated through GASK software in KWA. After the implementation of G-Spark, Credit Card updation of employees are being migrated to GPF GAIN software which is expected to completed at the end the of the Financial year 2022-23. Reconciliation of GPF balance with individual GPF balance will be done though GPF GAIN software after the completion of the same. Due to continuous revenue deficit and non revision of Tariff, GPF contribution deducted from employees are not done to commensurate with the liability on account of Provident fund. The amount invested on account of Pension/PF and its accrued interest upto 31-03-2018 are shown as investment in the annual accounts.

### **B. INCOME & EXPENDITURE ACCOUNT**

#### **1. Operating Income**

##### **1.1. Consumers (Schedule L) - ₹ 622,85,11,241**

##### **1.1.1 Operating Income - Water Supply**

##### **1.1.1.1. Domestic consumers - ₹ 255,82,69,027**

The demand for water charge is raised monthly based on the Provisional Invoice Card (PIC) / actual consumption and the same is updated in the consumer personal ledger. Since the PIC is prepared based on the actual consumption of the consumers there is no arbitrariness. DCB is prepared by totaling the demand and collection recorded in each and every consumer personal ledger. Consolidated DCB of KWA is prepared by consolidating all the DCBs received from division offices. Hence the DCB statement maintained in the accounts is correct as the same is arrived at after sub-division-wise tallying of Demand and Collection.

##### **1.1.1.2 Non-Domestic consumers - ₹ 214,85,95,204**

The demand for water charge is raised monthly based on the Provisional Invoice Card (PIC) / actual consumption and the same is updated in the consumer personal ledger. Since the PIC is prepared based on the actual consumption of the consumers there is no arbitrariness. DCB is prepared by totaling the demand and collection recorded in each and every consumer personal ledger. Consolidated DCB of KWA is prepared by consolidating all the DCBs received from division offices. Hence the DCB statement maintained in the accounts is correct as the same is arrived at after sub-division-wise tallying of Demand and Collection.

##### **1.1.1.3 Industrial consumers - ₹ 16,56,62,978**

The demand for water charge is raised monthly based on the Provisional Invoice Card (PIC) / actual consumption and the same is updated in the consumer personal ledger. Since the PIC is prepared





based on the actual consumption of the consumers there is no arbitrariness. DCB is prepared by totaling the demand and collection recorded in each and every consumer personal ledger. Consolidated DCB of KWA is prepared by consolidating all the DCBs received from division offices. Hence the DCB statement maintained in the accounts is correct as the same is arrived at after sub-division-wise tallying of Demand and Collection.

### **1.1.2 Income from Local Bodies ₹ 135,29,70,179**

As pointed out by AG, necessary corrections have already been made in the Annual Accounts.

## **C GENERAL**

**(1)** Up to the Financial Year 31-03-1998, there was no system of preparing individual trial balance with each ARU's, rather a consolidated TB was maintained. In order to have a clear picture of the activities which are taking place at each ARU's, the system of ARU wise trial balance was introduced w.e.f 01-04-1998 and the balances pertaining to cash, bank and DCB in each ARU's was transferred as their opening TB from the single TB which was maintained till date and the rest of the accounts was kept as "KWAC" and as a separate Trial Balance. The Annual Accounts are consolidated at Head office by adding the "ARU wise, during the year transactions" to the consolidated closing balance of previous year (balance after audit)" so as to avoid omissions to arrive at the correct closing balances.

**(2) & (3)** Up to the Financial Year 31-03-1998, there was no system of preparing individual trial balance with each ARU's, rather a consolidated TB was maintained. In order to have a clear picture of the activities which are taking place at each ARUs, the system of ARU wise trial balance was introduced w.e.f 01-04-1998 and the balances pertaining to cash, bank and DCB in each of the ARUs were transferred as their corresponding opening TB from the single TB which was maintained till date and the rest of the accounts was kept as "KWAC" and as a separate Trial Balance. The balance shown in the above accounts were carried forward from previous years. Instructions have been issued to the divisions to rectify and incorporate necessary corrections/revisions as the case may be to reflect the actual balance after detailed verification. Since, the deviation occurred over the years, same may be corrected in the subsequent years after detailed verification.

**(4)** The Finance Wing of Head Office releases the funds to the concerned division which are recorded through individual Cheque Memo Register and the same is reconciled every month. In the absence of cash transactions at finance wing, the CMR maintained together with cash book through Tally software serves the purpose. Since, the entire outside payments are effected through the concerned divisions including Secretary's Unit at Head Office alone, Finance Wing of Head Office is maintaining the individual cheque memo register as well as cash book through Tally software. The cash book would be a consolidation of these Cheque Memo Registers which are captured through Tally Software. However, for the proper monitoring of release of funds, finance wing maintains monthly cash flow statement and same is approved by the Board. More over the balances are correctly reflected in the Trial Balance prepared by Finance Wing.

## **IMPACT OF THE COMMENTS**

Comments of the Authority not warranted.



#### **D. GRANTS-IN-AID**

Grant in aid as per the annexure is fully reflected in the annual accounts of the Authority for the year 2017-18

**(V) & (VI)** As per the detailed replies given for para No. 2.1.2, 2.2.1.1, 2.2.1.2, 2.2.1.3, 2.2.2.2, 1.1.1, and 1.1.2. Kerala Water Authority has done earnest effort to complete the accounts so as to give a true and fair view of its state of affairs for the financial year.

### **REPLY TO ANNEXURE I**

#### **1. Internal Audit System**

The present internal audit wing in Kerala Water Authority is functioning satisfactorily. However based on the comments of the audit party that the internal audit coverage is inadequate and that the same needs to be strengthened, action will be taken to strengthen the unit.

#### **2. Internal Audit**

The following major points reflects the activities of Internal Audit system;

- Currently, KWA is following Government procedure for Internal Audit. Separate Audit Manual of KWA is under preparation.
- The Internal Audit Wing of KWA is under the control of Accounts Member who is appointed from AG possessing qualification of IA&AS.
- There were no delays in complying with the audit paragraphs or taking corrective action by the field units, the replies are given in timely manner.

#### **3. Internal Control**

1. Strict instructions were already given to the field offices to reconcile the bank/treasury accounts including non-operative account periodically and pass necessary correction entries by way of JV's.
2. Strict instructions were already given to the field offices to reconcile the inter office adjustment accounts including inter office adjustment accounts for fund transfer.
3. Long pending dues from accounts are written off based on the audit observation of AG and the accounts incorporating the same have been approved by the KWA Board.

#### **4. Inadequate accounting information**

**(1)** The Divisions have been instructed to keep the financial ledgers, subsidiary ledgers, journal entries and supporting vouchers up to date. The division offices are maintaining accounts in system and the accounts are captured in Tally ERP9 software.

**(2)** The consumer wise ledgers of receivables are available in e-Abacus software.

**(3)** Instructions have been issued to the divisions to incorporate the corrections/revisions made by the head office, in their books of accounts so that there will not be any difference in the opening balance of the unit trial balance with balance in the head office trial balance. Head office section has



been instructed not to make any corrections in the account balances of the divisions/sub divisions without proposing journal entries and recording reasons for corrections. Moreover, during the FY 2011-2012 and 2012-2013 have been consolidated at Head office by adding the “ARU wise during the year transactions” to the consolidated closing balance of previous year (balance after audit)” so as to avoid omissions to correct the closing balances as pointed out by AG. This system will continue till the Accounts are current.

(4) Noted for future guidance. Efforts will be taken to comply with the Manual provision

(5) Head Office, KWA does not include the transaction which occur at Finance Wing as the Finance Wing of KWA is considered as a separate ARU (as pointed out by AG) and separate Trial Balances are Prepared.

#### **5. Absence of Stores records and physical verification of inventory.**

The volume of stock of materials laying in different divisions of Kerala Water Authority is very huge and annual physical verification of all the stores is cumbersome and expensive. However, periodical physical verification is being undertaken by stock verification sub divisions of Kerala Water Authority during their field inspection and differences if any are reported for further action. The inter-divisional transfers of stores are done as per the revised procedure introduced by the Kerala Water Authority to avoid delay. The reconciliation of the inter office materials account is in progress.

#### **6. Revenue records**

Revenue, being water charges due to the authority, is arrived as per the meter reading recorded which is the method followed. There is no estimation of revenue and thus no accounting on estimate basis in the books. The revenue which is written off by way of OTS is properly accounted as and when it occurs. Provisions for doubtful debts are not normally provided.

#### **7. Interest on GPF**

Interest on GPF is adjusted according to the amount calculated from the software GASK which is the consolidation of all individual balances.

#### **8. Physical Verification of Fixed Assets**

The Fixed Assets Register is updated only till March 31, 2012. An action plan has been formulated to update the Fixed Asset register and the verification will be conducted of other assets thereafter. There are two stock verification parties, headed by two Assistant Executive Engineers, located at Trivandrum and Kozhikode to verify stock of materials. They are taking continuous verification of various offices, and liabilities, if any, on shortage of materials are fixed on Assistant Engineers in charge. An action plan has been formulated to update the Fixed Asset register and the verification will be conducted of other assets thereafter.

#### **9. Regularity in payment of statutory dues**

The Authority is regular in depositing undisputed statutory dues including NPS contribution with appropriate Authorities. Water Cess have been assessed and remitted up to 2012-2013.



## FINANCIAL RESULTS

Income from operations for the year 2017-18 amounts to ₹ 885.44 Crores. In addition, a non plan grant of ₹ 280.97 Crores was received from Government of Kerala to meet the revenue expenditure and ₹ 3.66 Crores from Government of India to meet the Operation & Maintenance of the completed Accelerated Rural Water Supply Schemes. The revenue expenditure after capitalising the share debit and interest on LIC/HUDCO/Bank loan comes to ₹ 1709.67 Crores leaving an excess of expenditure over income ₹ 537.13 Crores.

### INCOME AND EXPENDITURE

in crores

INCOME	2017-18	2016-17
Domestic	255.83	225.10
Non-Domestic	214.86	216.70
Industrial	16.57	15.25
Local Bodies	135.30	126.75
Sewerage	0.30	0.45
Other Income	262.58	209.13
<b>TOTAL</b>	<b>885.44</b>	<b>793.38</b>
O & M Grant from GOI	3.66	10.47
Government of Kerala - Grant	280.97	296.56
<b>TOTAL</b>	<b>1,170.07</b>	<b>1,100.41</b>
EXPENDITURE	2017-18	2016-17
Operation & Maintenance	370.27	335.35
Establishment	856.99	738.29
Office Expenses	18.01	15.89
Travelling	5.00	5.22
Administrative Expenses	1.53	7.08
Debtors written off	93.99	-
Interest	297.91	300.32
Depreciation	127.42	118.84
<b>TOTAL</b>	<b>1,771.12</b>	<b>1,520.99</b>
Less : Transferred to CWIP	61.45	46.80
<b>TOTAL</b>	<b>1,709.67</b>	<b>1,474.19</b>
Excess of Expenditure over Income	539.60	373.78
Prior period adjustment	(2.47)	0.17
Excess of Expenditure over Income after prior period adjustment	<b>537.13</b>	<b>373.95</b>



## SOURCES AND APPLICATION OF FUNDS

in crores

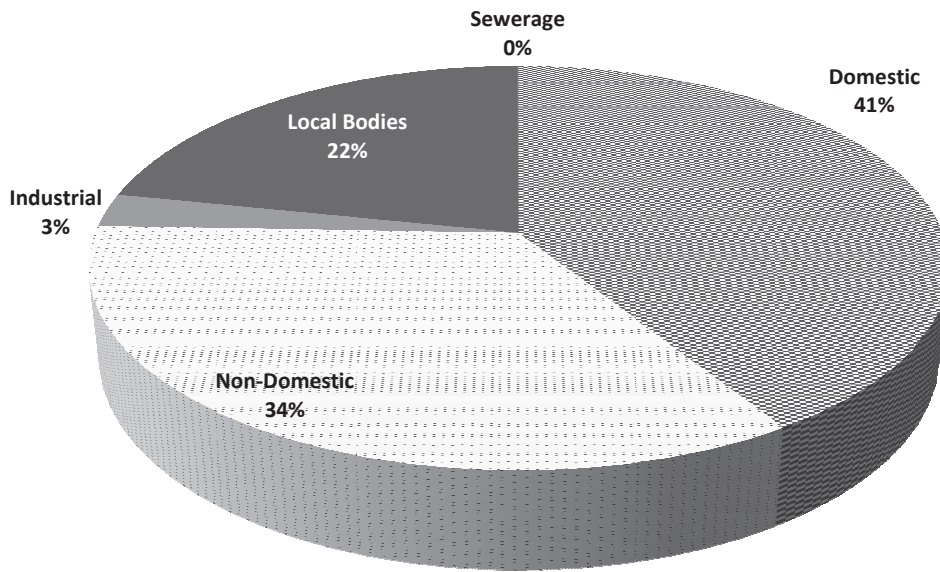
SOURCE OF FUND	2017-18	2016-17
Capital & Reserves	7,953.79	7,544.35
Secured Loans	60.74	70.81
Unsecured loans	6,701.17	6,136.98
<b>TOTAL</b>	<b>14,715.70</b>	<b>13,752.14</b>
APPLICATION OF FUNDS	2017-18	2016-17
Fixed Assets	10,397.60	9,635.76
Investments	61.26	55.21
Net Current Assets	279.91	682.44
Loans & Advances	285.37	224.31
Accumulated Excess of Expenditure over Income	3,691.56	3,154.42
<b>TOTAL</b>	<b>14,715.70</b>	<b>13,752.14</b>
CAPITAL RECEIPTS	2017-18	2016-17
Grant from Government of Kerala	351.53	462.72
Loan from Government of Kerala	-	51.17
Grant from Government of India	44.27	84.48
Capital contribution from other sources - World Bank (Jalanidhi)	18.00	23.73
<b>TOTAL</b>	<b>413.80</b>	<b>622.10</b>

in crores

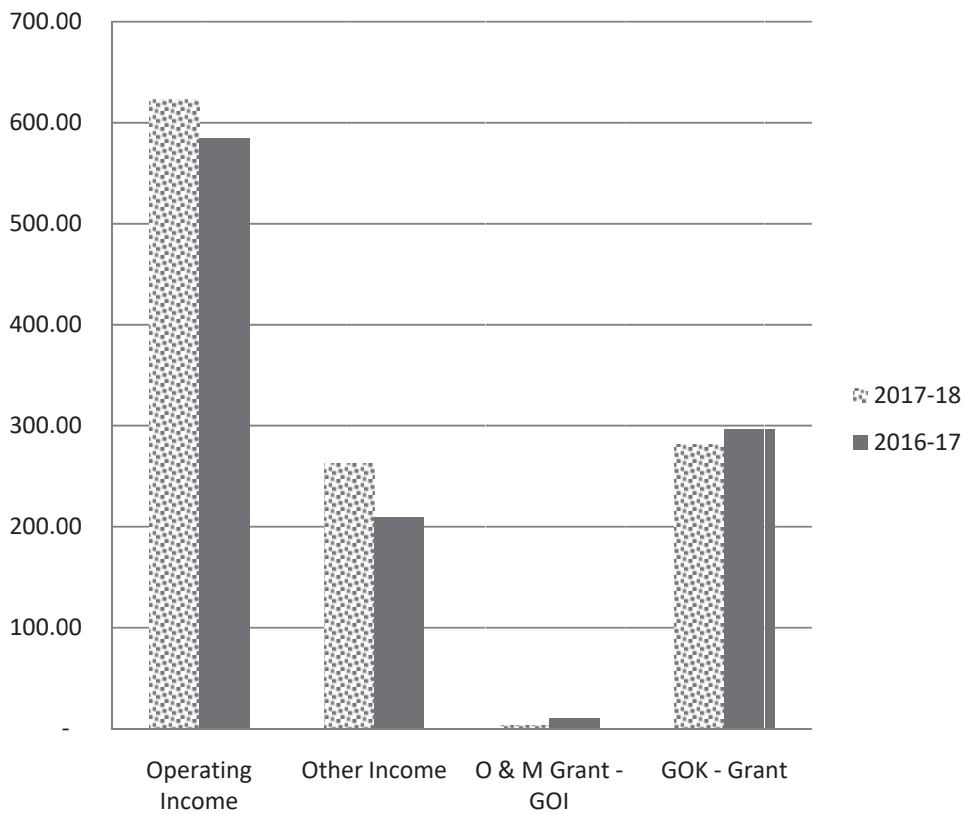
CAPITAL EXPENDITURE	2017-18	2016-17
<b>State Plan Schemes</b>		
Survey & investigation	0.99	0.75
HRD, Research, Development and Quality Control	1.25	1.00
Manufacturing units for Bottled water	1.95	4.22
Sewerage Schemes	3.92	4.83
Renovation of existing civil structures owned by KWA	8.03	4.16
Ongoing Urban Water Supply Scheme	55.31	23.38
Optimisation of production and transmission / replacement of old pipes of existing water supply schemes	158.61	47.48
Rural Water Supply Schemes	73.34	32.40
JBIC assisted Kerala Water Supply Project / JICA	31.78	47.93
Drinking water supply in drought hit areas implemented by KWA	20.12	11.37
Water Supply Schemes - Rural Infrastructure Development Fund NABARD	68.81	88.30
Accelerated Rural Water Supply Scheme	124.96	124.84
Other Schemes	1.14	0.67
<b>TOTAL</b>	<b>550.21</b>	<b>391.33</b>
<b>Centrally Sponsored Schemes</b>		
Accelerated Rural Water Supply scheme	72.41	73.99
<b>TOTAL</b>	<b>72.41</b>	<b>73.99</b>

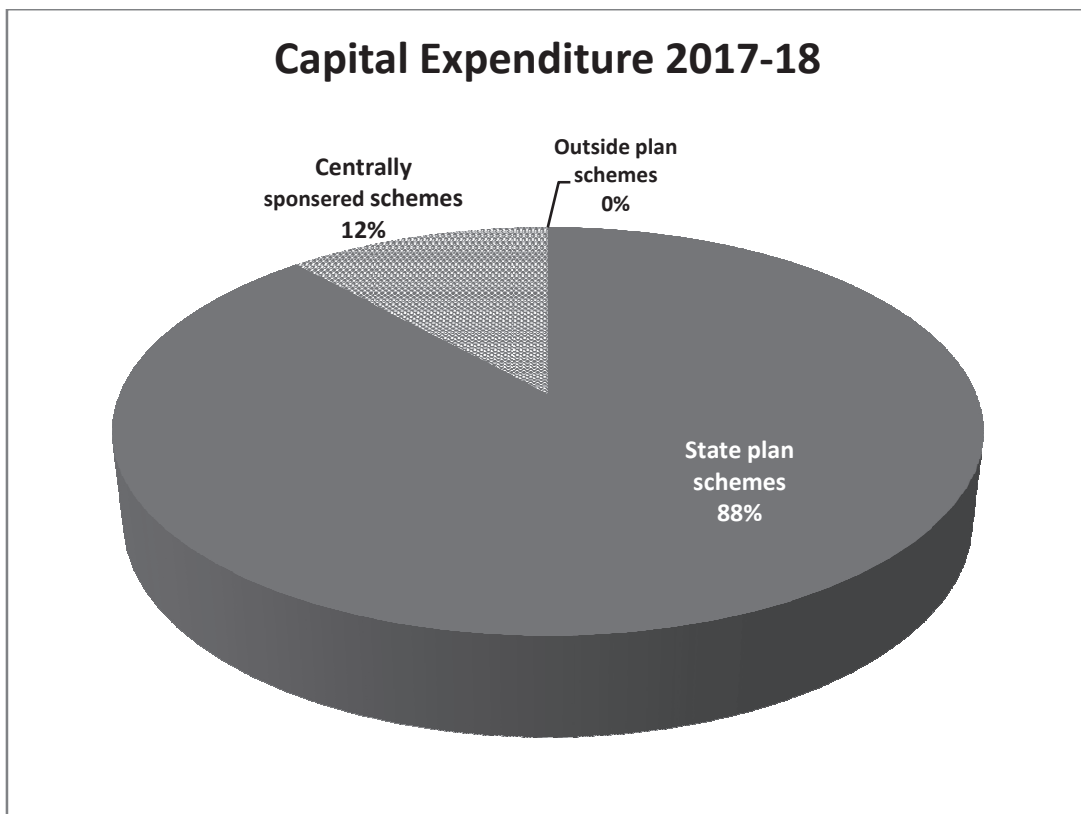
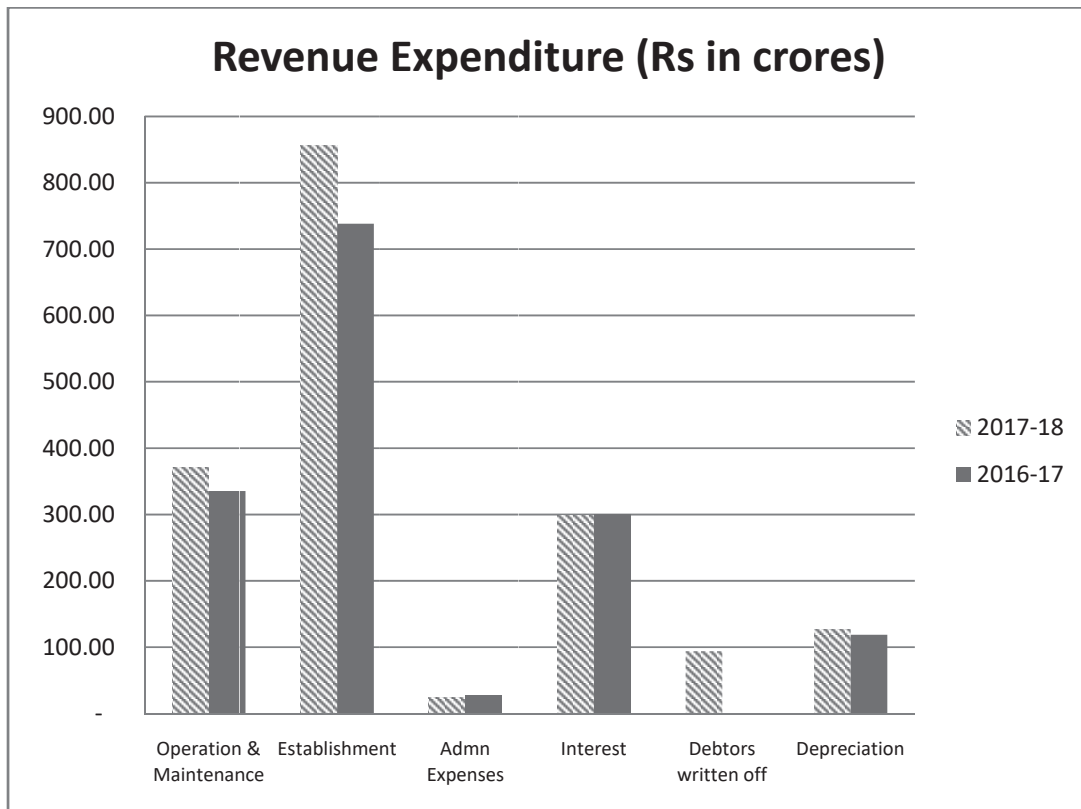


## Operating income 2017-18



## Revenue Receipts (Rs in crores)







## Income and Expenditure 2007-08 to 2017-18 (Rs in crores)

