

KERALA WATER AUTHORITY



ANNUAL ACCOUNTS

FOR THE YEAR

7

1990-91

HEAD OFFICE: WATER WORKS CAMPUS, THIRUVANANTHAPURAM - 695 033

PHONE : 68654
TELEX : 0435-379 KWA IN
FAX : 91-471-64903

KERALA WATER AUTHORITY



ANNUAL ACCOUNTS

FOR THE YEAR

1990-91

HEAD OFFICE: WATER WORKS CAMPUS, THIRUVANANTHAPURAM - 695 033

PHONE : 68654
TELEX : 0435-379 KWA IN
FAX : 91-471-64903

STATE OF KERALA

STATE OF KERALA
 THE GOVERNMENT
 DEPARTMENT OF AGRICULTURE
 KERALA AGRICULTURAL UNIVERSITY
 KARIANNA ROAD, TRIVANDRUM
 FINANCIAL STATEMENTS FOR THE YEAR 1959-60

C O N T E N T S

<u>Sl.No.</u>	<u>Particulars</u>	<u>Page No.</u>
	Domestic	178.16
	Non-Domestic	178.16
	Industrial	178.16
1.	FINANCIAL RESULTS	1
	Income from Local Bodies	178.16
	Grants from Government of Kerala	178.16
2.	AUDIT CERTIFICATE	9
	Accounts	10
3.	ACCOUNTS	10
	Working and Balance Sheet	10
4.	REPLY TO AUDIT REPORT	43
	Operating Expenses	43
	Administrative Expenses	43
	Interest	43
	Depreciation	43
	Transferred to G.P. A/c.	43
	Assets	43
	Liabilities	43
	Reserves and Appropriation of Funds	43
	Balance Sheet	43
	Capital	43
	Secured Loan	43
	Unsecured Loan	43

FINANCIAL RESULTS

INCOME AND EXPENDITURE

I.

Income from operations for the year 1990-91 amounts to Rs.2349.45 lacs. In addition a non-plan Grant of Rs.2585 lacs were received from Government of Kerala to meet the revenue expenditure. The revenue expenditure after capitalising the employees cost, comes to Rs.6594.27 lacs leaving a deficit of Rs.1659.81 lacs.

	1990-91	1989-90
	(Rs. in lacs)	
<u>INCOME</u>		
Operating Income - Water Supply		
Domestic	249.82	232.86
Non-domestic	276.38	336.60
Industrial	244.21	178.76
	-----	-----
	770.41	748.22
Income from Local Bodies	1426.81	1361.59
Government of Kerala - Grant	2585.00	2350.00
Other Income	152.24	108.08
	-----	-----
	4934.46	4567.89
	=====	=====
<u>EXPENDITURE</u>		
Operating and Maintenance	1380.98	1606.92
Establishment	2850.94	2009.89
Office Expenses	147.64	132.70
Travelling Expenses	48.77	50.72
Administrative Expenses	20.51	34.53
Interest	2134.99	1769.91
Depreciation	1193.11	1216.09
Transferred to C.W.I.P.	(1182.68)	(780.84)
	-----	-----
	6594.26	6039.92
	=====	=====
DEFICIT	1659.81	1472.03

II. SOURCES AND APPLICATION OF FUNDS

SOURCES OF FUNDS		
Capital	58895.79	53308.30
Secured Loan	7012.32	6074.12
Unsecured Loan	18150.81	11819.20
	-----	-----
	84058.92	71201.62
	=====	=====

1990-91 1989-90
(Rs. in lakhs)

APPLICATION OF FUNDS

Fixed Assets	67041.02	60183.43
Net Current Assets	7340.76	7013.72
Loans and Advances	3594.87	2057.20
Accumulated Excess of Expenditure over income	6082.27	1947.28
	<u>84058.92</u>	<u>71201.63</u>

III. CAPITAL RECEIPTS

Grant from Government of Kerala	3791.50	3304.00
Loan from Government of Kerala	2176.09	1996.00
Loan from LIC of India	1000.00	947.00
Loan from Hudco	214.22	0.00
	<u>7181.81</u>	<u>6247.00</u>

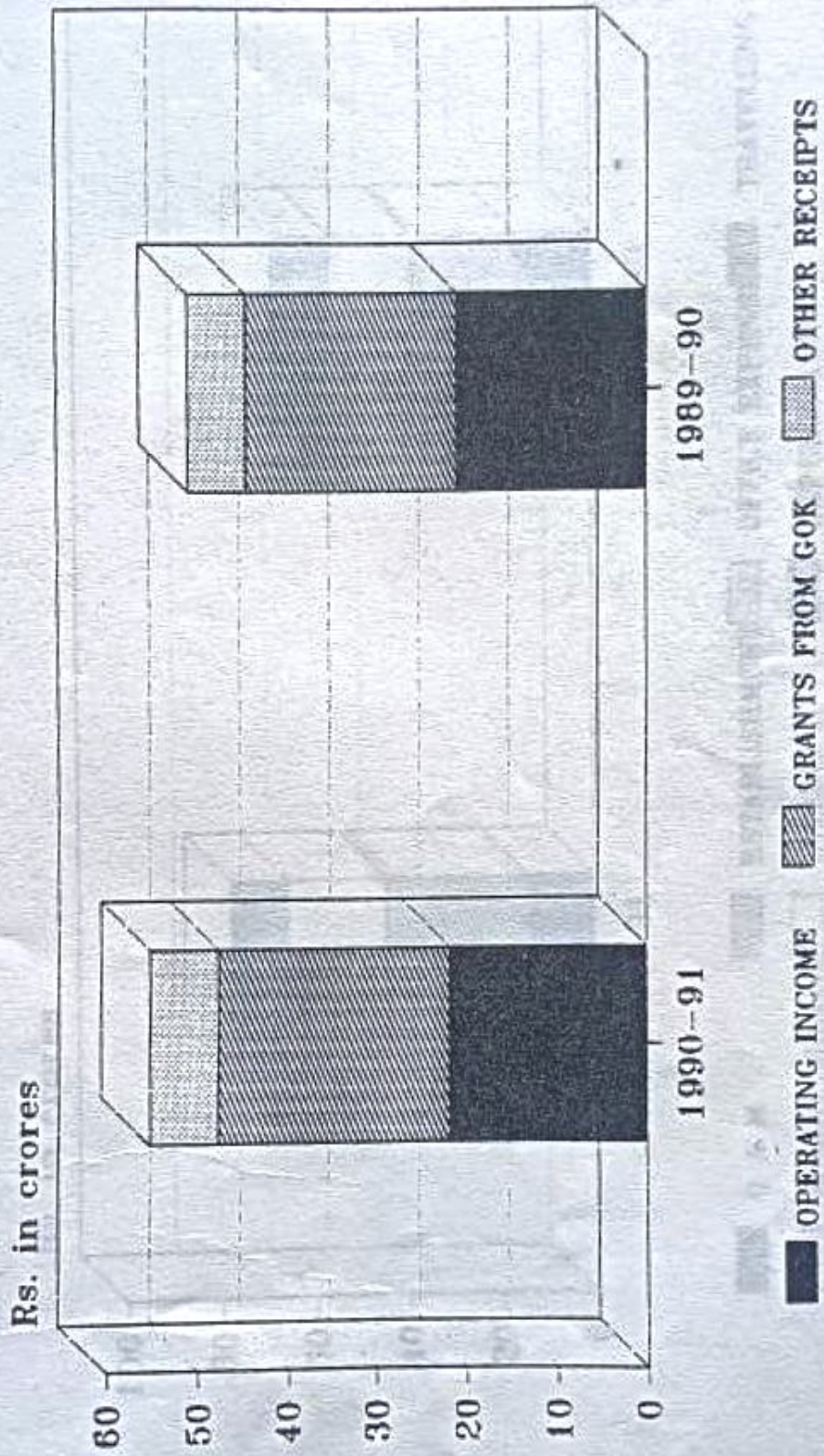
CAPITAL EXPENDITURE DURING 1990-91

A.R.W.S.S.	1417.25
World Bank aided Schemes	1677.52
LIC aided Schemes	1258.96
HUDCO/LIC Schemes	529.48
Danida aided Schemes	303.22
Netherland aided Schemes	322.16
SCP/TSP Schemes	427.17
Sewerage Schemes	31.37
Drought Relief Works	463.28
Other Schemes	299.00
	<u>6729.41</u>

FINANCIAL STATEMENT

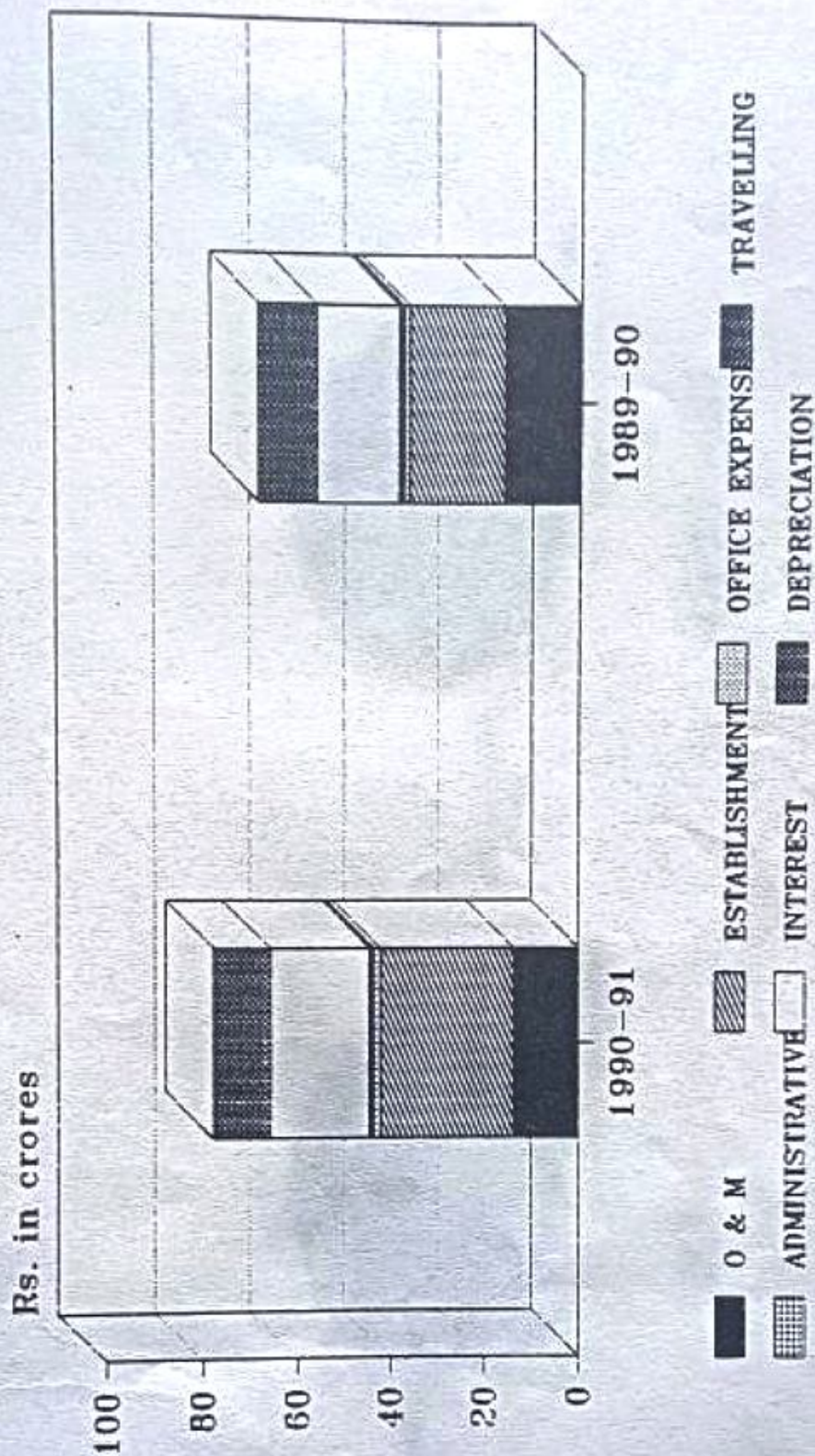
REVENUE ACCOUNT

REVENUE RECEIPTS

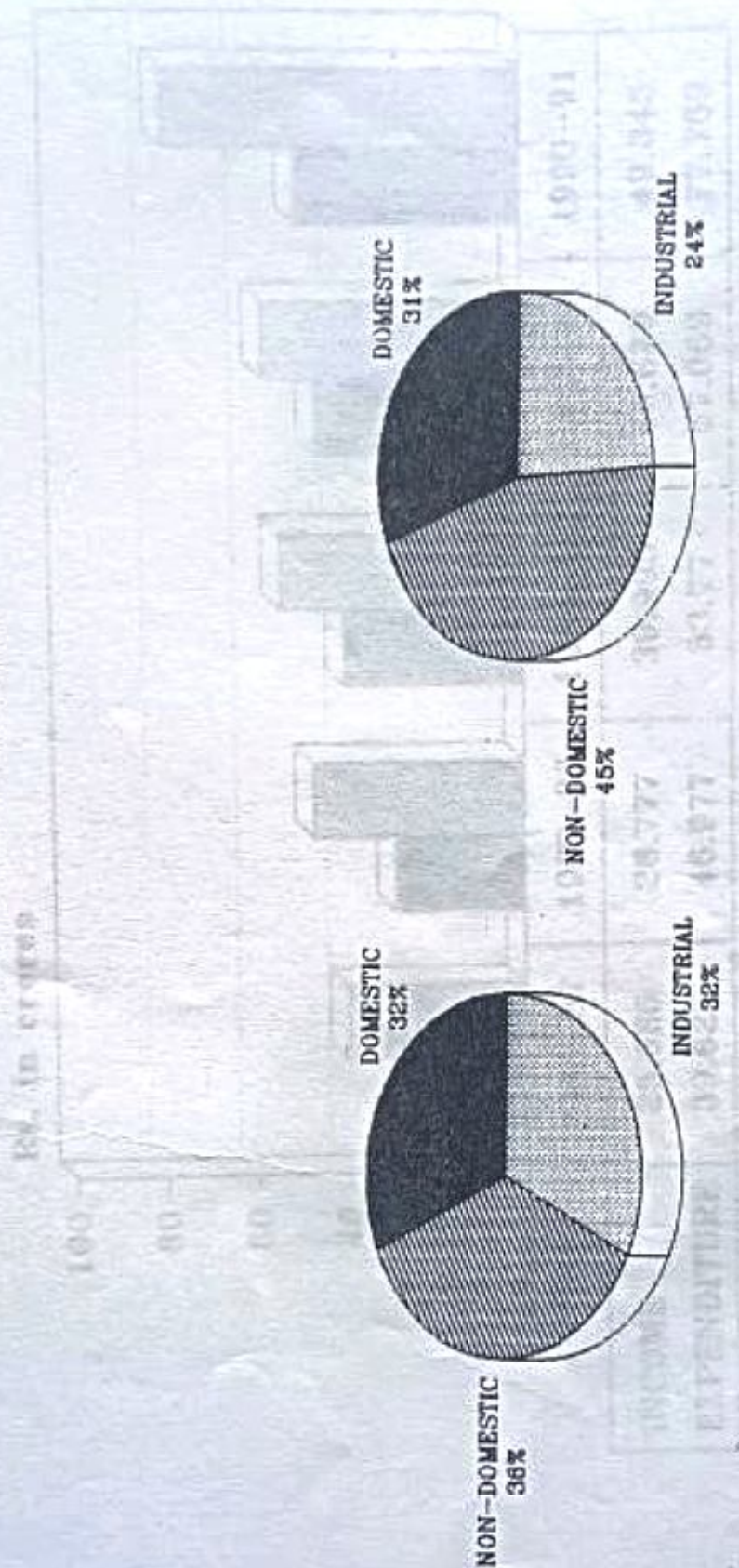


REVENUE ACCOUNT

REVENUE EXPENDITURE

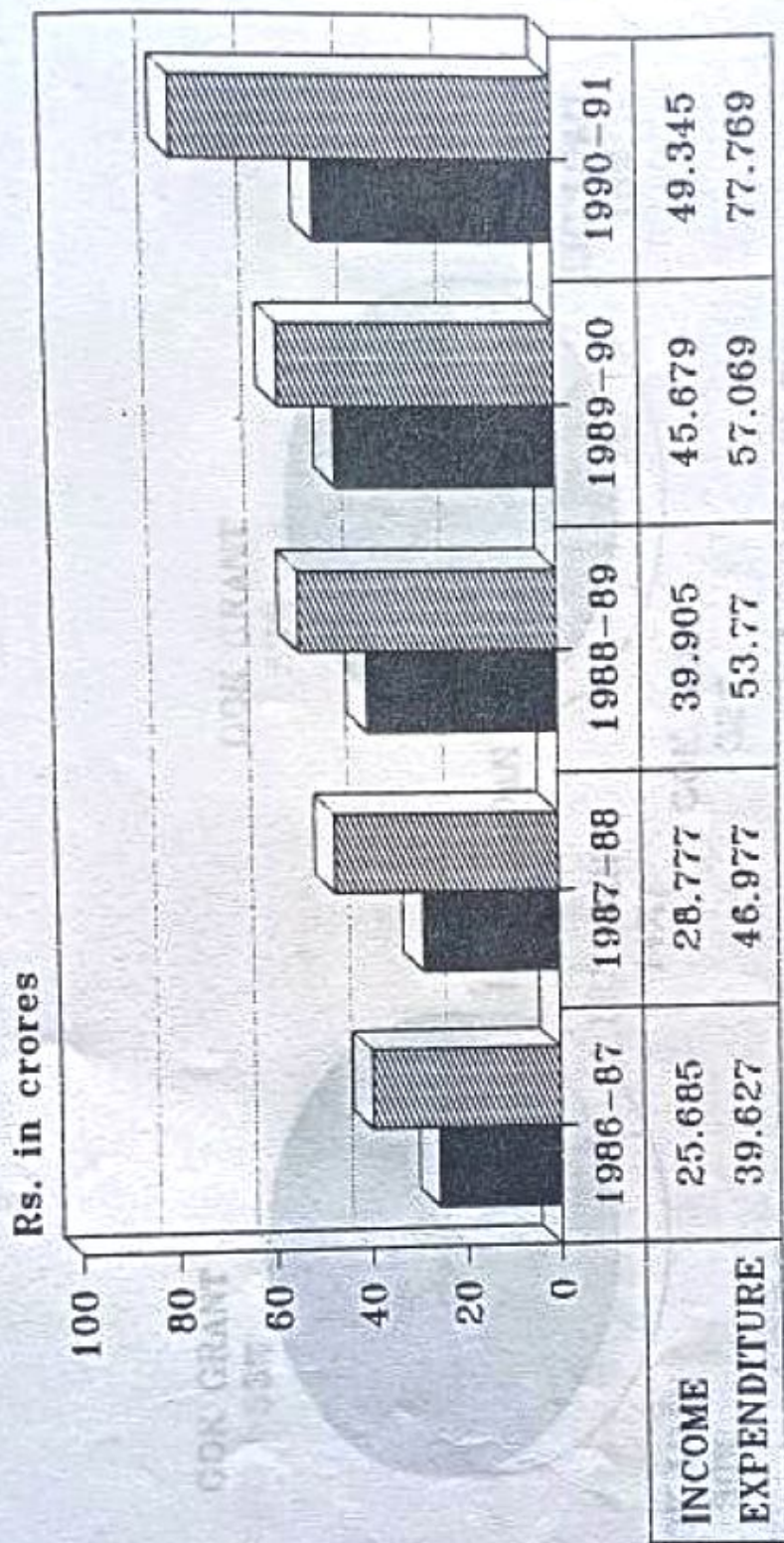


OPERATING INCOME WATER SUPPLY



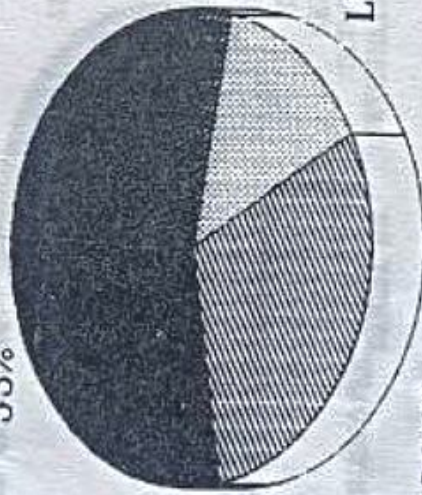
INCOME & EXPENDITURE

1986 - 87 TO 1990-91



CAPITAL ACCOUNT RECEIPTS

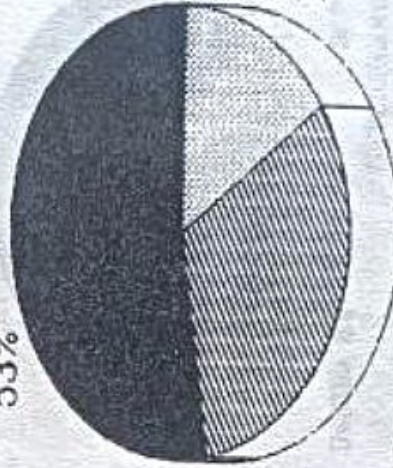
GOK GRANT
53%



GOK LOAN
30%

1990-91

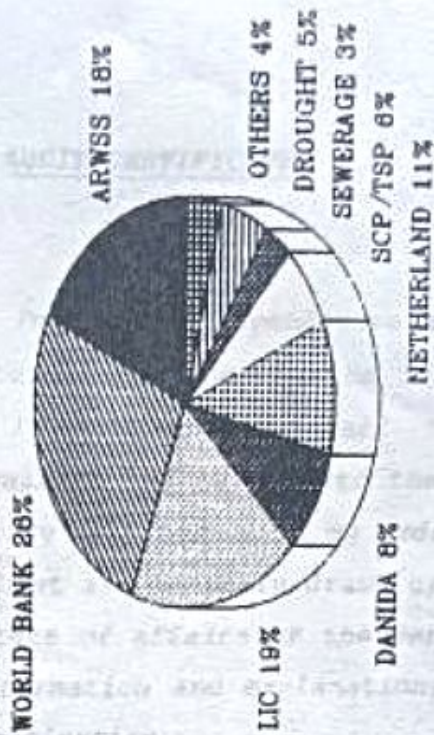
GOK GRANT
53%



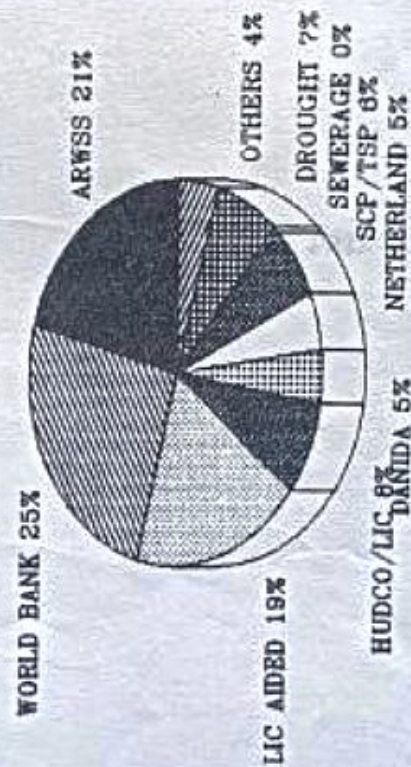
GOK LOAN
32%

1989-90

CAPITAL ACCOUNT EXPENDITURE



1989-90



1990-91

AUDIT CERTIFICATE

I have examined the Income and Expenditure account for the year ended 31st March 1991 and the Balance Sheet as on 31st March 1991 of the Kerala Water Authority. I have obtained all the information and explanations that I have required, and subject to the observations in the appended Audit Report, I certify as a result of my audit that in my opinion these accounts and balance sheet are properly drawn up so as to exhibit, a true and fair view of the state of affairs of the Kerala Water Authority, according to the best of information and explanations given to me and as shown by the books of the organisation.

(sd)

THIRUVANANTHAPURAM,
15th FEBRUARY 1993.

PRINCIPAL ACCOUNTANT GENERAL

AUDIT REPORT

Audit Report on the Kerala Water Authority for the year ended 31st March 1991.

1. Introduction.

The Kerala Water & Waste Water Authority was established on 1-4-1984 by the Kerala Water & Waste Water Ordinance, 1984 (No.14 of 1984) to provide for the development and regulation of water supply and waste water collection and disposal. The ordinance was replaced by an Act of the legislature in August, 1986. The nomenclature of the Authority was changed as Kerala Water Authority by the said Act. The Authority took over all the functions of the erstwhile Public Health Engineering Department of the Kerala State Government.

The Audit of the accounts of the Authority has been entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Comptroller and Auditor General's (Duties, powers, and Conditions of Service) Act, 1971 for a period of 10 years from 1984-85 to 1993-94.

2. Working Results:

Section 23 of the Act envisages that the Authority shall not as far as practicable and after taking credit for any grant, subvention, capital contribution and loans from the Government under Section 24, carry on its operations at a loss and shall so fix and adjust its rates of taxes and charges as to enable to meet as soon as feasible, the cost of its operations, maintenance and debt service and where practicable to achieve an economic return on its fixed assets. The rate of economic return on its fixed assets. The rate of economic return has not been specified and no scheme has been drawn out to run the Authority without any loss.

The table below gives the working results of the Authority for the two years upto 1990-91.

	1989-90	1990-91
	(Rupees in lakhs)	
EXPENDITURE	1606.92	1380.98
Operation & Maintenance	2227.84	3067.86
Establishment & Other expenses.	656.08	2135.00
Interest	1216.10	1193.11
Depreciation	-----	-----
TOTAL:	5706.94	7776.95
	-----	-----
Less. Establishment expenses allocated to capital works.	780.84	1182.68
	-----	-----
	4926.10	6594.27
	-----	-----
Income.		
Revenue	2126.47	2213.01
Other Income	91.42	136.45
Grants in aid from State Government	2350.00	2585.00
	-----	-----
TOTAL:	4567.89	4934.46
	-----	-----
Net	358.21	1659.81
	-----	-----
Add prior period adjustments.	1157.92	2475.19
	-----	-----
Excess expenditure over income.	1516.13	4135.00
	-----	-----
Accumulated excess of expenditure over income at the end of the year.	11947.27	6082.27

The Accumulated deficit in the working of the Authority at the end 1990-91 amounted to Rs.60.82 crores. The increase of deficit during the year (Rs.41.35 crores) is mainly due to provision of interest on loans from State Government amounting to Rs.39.32 crores (prior period Rs.25.65 crores current year Rs.13.67 crores).

The amount of interest on loans payable to the Government of Kerala at the end of 1990-91 amounted to Rs.39.32 crores.

3. Comments on Accounts.
- Balance Sheet - Source of Funds
- Contributions and Grants - Schedule A.
- Net value of Assets taken over Rs.383,44,94,541.

(i) The assets and liabilities of the erstwhile P.H.E.D. was taken over on 1st April 1984. The net value of the assets and liabilities has been assessed at Rs.435,53.06 lakhs. The valuation has been reassessed as Rs.383,44.95 lakhs, in the accounts (Annexure I). The original valuation and the revision has not been approved by Government in accordance with Sub-Section 2 of Section 16 of the Act.

Certain assets and liabilities of the Kerala State Rural Development Board have been taken over on 1st August 1984. The assets and liabilities have not been incorporated in the accounts of the Authority.

The Water Supply and Sewerage Schemes of two Municipal Corporation (Kochi and Kozhikode) and eight Towns (Kollam, Kottayam, Alapuzha, Thrissur, Palghat, Palai and Perumbavoor) have been taken over by the Authority in March 1991. The assets and liabilities have not been incorporated in the accounts of the Authority.

Reserves and Surplus.

(ii) No depreciation reserve has been created in accordance with Section 26 of the Act.

Kerala Water Authority Loan Fund.

Unsecured Loans - Schedule D.
Deposit Work - Water Supply & Sewerage
- Rs.572,21,574/-.

(iii) This includes an amount of Rs.10.89 lakhs being income derived from rendering services to Technology Mission Palghat (Government of India) which should have been treated as Operating Income - others (4) Miscellaneous Recoveries. The excess of expenditure over income has been overstated by Rs.10.89 Lakhs. Similar Income derived during prior periods has not been assessed.

(4) Miscellaneous Recoveries. The excess of Expenditure over income has been overstated by Rs.10.89 lakhs. Similar Income derived during prior periods has not been assessed.

APPLICATION OF FUNDS

(iv) Fixed Assets (Schedule E) Rs.67041,01,535.

The cost of Civil works, Buildings, Mains and Net Work, Roads, Bridges and Culverts Commissioned since 1986-87 have not been brought under various items of fixed assets and the cost of such assets stands incorrectly included under capital works in progress. The depreciation on assets commissioned and brought into use since 1986-87 have not been provided for and the arrears of depreciation in respect of such assets have not been disclosed.

The value of vehicles and furniture used for general purposes amounting to Rs.140.25 lakhs stands incorrectly included under capital works in progress. The arrears of depreciation in respect of these assets for which depreciation has not been provided for, amounted to Rs.22.61 lakhs.

In five divisions test checked the cost of assets commissioned and partially commissioned and brought to use upto 1990-91 amounted to Rs.1479.11 lakhs and the arrears of depreciation to be provided for in respect of these assets have not been assessed.

Depreciation on fixed assets for the year, provided in the accounts has been worked out as follows:-

	Rs. in lakhs
Provision for 1989-90	1216-10
Add Depreciation on additions	3-75
Less Depreciation in respect of fully depreciated assets/ assets sold	26-74

	1193.11
	=====

In the absence of an updated Assets register/details the accuracy of

depreciation could not be ensured.

Net Current Assets.

Current Assets - Schedule G.

(v) As mentioned in paragraph 13 of the Audit Report on the Authority for the year ended 31st March 1990. The division-wise scrutiny has not been completed and the necessary adjustments have not been carried out.

Stores, Tools and Spares - Rs.44,50,08,307.

(vi) The balance has not been reconciled with the balance in the priced stores ledgers of individual divisions.

Physical verification of stores, tools and spares has not been conducted and the difference between the book balance and physical balance not adjusted in accounts.

The difference between the Issue prices of stores to works and cost has not been worked out and adjusted in accounts.

Cash and Bank Balance.

(vii) Bank and Treasury balances: Rs.22,50,77,613.

The revenue collected by the units is transferred to Head Office account in the State Bank of Travancore, Kowdiar, Trivandrum. Similarly the financial settlement in respect of stores transfers between units are adjusted through bank accounts. Remittances and adjustments made by the units into head office account have not been reconciled.

Current Assets.

Sundry Debtors - Rs.96,70,07,937.

(viii) As per schedule-G to the Balance Sheet an amount of Rs.8954.19

lakhs is due from local bodies of which Rs.7190.74 lacks is on account water and maintenance charge and Rs.1763.45 lakhs is towards loan repaid to Life Insurance Corporation of India. The water charges due from other consumers amounted to Rs.708.64 lakhs. The actual demand towards water maintenance charges during 1990-91 was Rs.2197.29 lakhs and the arrears Rs.7899.38 lakhs represented more than three years demand. The details of arrears were as follows:

	Rupees in lakhs.
Panchayats	3439.87
Municipalities	1971.83
Corporations	1779.04
Domestic consumers	251.48
Non domestic consumers	222.58
Industrial consumers	234.58

	7899.38

The dues from the Panchayats, Municipalities and Corporations have been reconciled with a consolidated demand, collection and balance statement duly accepted by them.

(ix) Other Current Assets - Inter office and suspense Account balance Rs.265,06,596.

The balance in the account comprise of the following:-

	Debit Rs.	Credit Rs.
Materials	9,29,99,017.14	
Stock of Stores	43,90,399.94	
Tools and Spares	8,31,198.73	
Consumables	6,80,740.03	
Plant & Machinery	7,83,893.90	
Vehicles		
Furniture, Fixtures, etc.		
Investigation, Planning		
and Design Expenses		
	2,12,227.20	9,596.89
		2,70,574.51

Capitalexpenditure		39,54,820.00
Fund transfer		55,694.45
Inter office Account.		
" - Cash		14,84,06,651.80
" - Bank drawings.	39,10,50,914.19	
" - Treasury		26,58,19,542.73
" - Bank Non Operative Account		7,60,57,903.21
" - Contra		6,81,408.36
" - Others	2,14,290.45	
Other expenses	8,22,992.00	
Other income		23,30,192.32
Other liabilities	13,99,547.50	
Other Assets	1,72,62,562.40	
Cash and Bank Suspense.	1,34,45,195.77	
	<u>52,40,92,979.25</u>	<u>49,75,86,383.45</u>
Balance (Debit) -	<u>2,65,06,595.80</u>	

The balances should have been cleared before the closing of the accounts.

Income and Expenditure Account.

1) Operating Income.

(a) Consumers

Schedule L Rs.21,97,28,895.00

(x) In P.H.Division, Thiruvananthapuram, the water charges for the year have been assessed at the adhoc rate of Rs.19.71 lakhs per mensum.

In P.H.Divisions, of Thiruvananthapuram, Alapuzha and Perumbavoor dues from Panchayats towards maintenance charges have been assessed at the adhoc annual rates of Rs.40.65 lakhs for Thiruvananthapuram, Rs.18.37 lakhs for Alapuzha and Rs.34.76 lakhs for Perumbavoor.

In P.H.Divisions of Alapuzha, Aluva and Perumbavoor dues from Municipalities towards maintenance charges have been assessed at the adhoc annual rates of Rs.21.67 lakhs for Alapuzha, Rs.5.67 lakhs for Aluva and

Rs.28.20 Lakhs for Perumbavoor.

In the above cases the assessment of revenue has been made without reading the meters installed in the premises of the consumers, and without taking into account the excess consumption and new connections in the case of water charges, and actual maintenance charges in respect of supply to Panchayats and Municipalities.

Operating & Maintenance Expenses - Schedule - P

(xi) 3. Power charges - Rs.6.46,84,660/-

This includes Rs.30.20 lakhs being consumer deposit with the Kerala State Electricity Board, incorrectly shown as the expenditure of the year. Similar incorrect treatment of deposit as expenditure during prior period amounted to Rs.90.87 lakhs.

As a result of the above, the excess of expenditure over Income for the year has been overstated by Rs.30.20 lakhs and the accumulated excess of expenditure over income is overstated by Rs.121.07 lakhs.

4. Rules and Regulations.

Government have not framed any rules under Section 64 of the Act for matters relating to salaries and allowances, manner of operation of funds, manner of making provision for Depreciation Reserve and utilisation etc.

The Authority has not framed regulations under Section 65 of the Act in respect of the management of projects of the Authority, execution of contracts etc.

5. Internal audit.

An internal audit wing started functioning from August 1984 with a staff of 7 members headed by an Assistant Accounts Officer. The wing was brought under the supervision of an Internal Auditor from 1987-88 onwards.

It may be seen from the following table, that from 1984-85 to 1990-91 the number of offices inspected by the wing fell short of the target 26.

Year	No of Offices		
	Due for Inspection.	Actually Inspected.	Short fall in Inspection.
1984-85	26	6	20
1985-86	26	15	11
1986-87	26	6	20
1987-88	26	5	21
1988-89	26	8	18
1989-90	26	8	18
1990-91	26	4	22

The shortfall in inspection is attributed by the Authority to shortage of staff. Toning up the internal audit machinery and bringing down the arrears in field inspections are necessary for the efficient functioning of the offices. In spite of repeated comments in previous Audit Reports, about the unsatisfactory functioning of the wing the position continued to be unsatisfactory.

6. Inspection Reports pending settlement.

The position of Inspection Reports issued by the Accountant General and pending settlement is given below:-

Year.	No. of Inspection	Pending settlement	
		No. of Paragraphs	No. of Inspection Reports for which even first replies not received.
1986-87	27	139	3
1987-88	24	57	1
1988-89	33	109	1
1989-90	39	135	2
1990-91	22	89	6
TOTAL:	145	529	12

Some of the important audit observations are:-

- Non-adherence to agreement provisions.
- Unauthorised aid to contractors.
- Delay in execution of works.
- Deviation in plan and scheme after award of the work.
- Abandoning the work/scheme before completion.
- Theft of stores.

Thiruvananthapuram.

15th February, 1993.

PRINCIPAL ACCOUNTANT GENERAL

(Sd)

The Principal Accountant General is pleased to inform that the audit observations mentioned above have been taken into consideration and the necessary steps have been taken to rectify the same. The Principal Accountant General is also pleased to inform that the audit observations mentioned above have been taken into consideration and the necessary steps have been taken to rectify the same.

The position of inspection reports issued by the Principal Accountant General is given below:

Year	No. of Inspection Reports	No. of Inspection Reports for which even first instalment not received
1986-87	27	17
1987-88	26	17
1988-89	33	10
1989-90	32	8
1990-91	33	13

KERALA WATER AUTHORITY

INTRODUCTORY NOTE ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1991.

The Kerala Water Authority (the Authority) was established by the Government of Kerala (the Government) with effect from 1st April 1984 under the Kerala Water and Waste Water Ordinance, 1984 to provide for the development and regulation of water supply and waste water collection and disposal in the State of Kerala and for matters connected herewith. The Ordinance was replaced by the Kerala Water Supply and Sewerage Act, 1986 (The Act).

In accordance with Section 16 of the Act, as from the date of establishment of the Authority (i) all properties and assets, vested in the Government for the purposes of the Public Health Engineering Department shall vest in and stand transferred to the Authority, and (ii) all rights liabilities and obligations of the Government or the Local Body or Kerala State Rural Development Board in so far as they pertain to the execution of water supply and sewerage schemes shall be the assets, rights, liabilities and obligations of the Authority and to be valued in such manner as the Government may determine.

Under section 89 of the Act the Authority shall cause to be maintained such books of account and other books in relation to its accounts and prepare an annual Statement of Accounts and Balance Sheet in such form and in such manner as the regulations made under section 65 of the Act may require.

In order to arrive at the value of properties Assets, rights, liabilities and obligations transferred to the Authority, all the Fixed Assets including work-in-progress were valued at current costs and values after necessary adjustment for depreciation thereon. The approval of the Board of the Authority has been obtained for the valuation of the Fixed Assets and Capital Work-in-progress and is subject to approval of the Government. The Net Current Assets were valued based on the documents, books and records as available with the Authority and other relevant

sources. The above evaluation has been carried out provisionally subject to the approval of the Government.

As per G.O. (Rt) No.2401/87/LAD dated 17th August '87, Government had accorded sanction to the Authority to introduce and implement Accrual Accounting System from the financial year 1986-87. As required under section 29 of the Act, the Authority had evolved Accounting Manuals for the maintenance of the books of account and preparation of financial statements which had been approved by the Authority and the Government of Kerala.

The Accrual Accounting system was made fully operational with effect from 1st April 1988. The Accounts for the year 1990-91 have been prepared generally in accordance with the accounting policies contained in the Accounting Manuals. Wherever deviations have taken place suitable disclosures have been made in the relevent paragraphs in the notes on accounts.

(Sd) (Sd) (Sd)

Financial Manager & Chief Accounts Officer, Technical Member, Managing Director

Place: Thiruvananthapuram.
Date :30.11.1992.

KERALA WATER AUTHORITY

BALANCE SHEET AS AT MARCH 31, 1991

	SCH. REF	CURRENT YEAR Rs.	PREV. YEAR Rs.
SOURCES OF FUNDS			
1) Kerala Water Authority Fund			
a) Contributions & Grants	A	588,95,78,934	533,08,29,741
b) Reserves & Surplus	B		
2) Kerala Water Authority Loan Fund			
a) Secured Loans	C	70,12,32,029	60,74,12,159
b) Unsecured Loans	D	181,50,81,023	118,19,19,836
TOTAL:		840,58,91,986	712,01,61,736
APPLICATION OF FUNDS			
1) Fixed Assets	E	670,41,01,535	601,83,42,540
2) Investments	F	0	0
3) Net Current Assets			
a) Current Assets	G	166,93,04,714	142,93,70,785
b) Current Liabilities	H	93,52,29,077	72,79,98,829
		73,40,75,637	70,13,71,956
4) Loans and Advances	I	35,94,87,364	20,57,19,584
5) Miscellaneous Expenditure not written-off	J	0	0
6) Accumulated Excess of Expenditure over Income	K	60,82,27,450	19,47,27,656
TOTAL:		840,58,91,986	712,01,61,736

Schedules A to K and Notes 1.01 to 1.09 and 2.06 from an integral part of this Balance Sheet.

(Sd) Finance Manager & Chief Accountants Officer
 (Sd) Technical Member
 (Sd) Managing Director

Place: Thiruvananthapuram.
 Date : 30.11.1992.

KERALA WATER AUTHORITY

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 1991

<u>INCOME</u>	SCH. REF.	CURRENT YEAR Rs.	PREV. YEAR Rs.
1) Operating Income			
a) Consumers	L	21,97,28,895	21,09,92,191
b) Others	M	15,72,440	16,54,452
		22,13,01,335	21,26,46,643
2) Grants and Subventions from Govt. of Kerala.		25,85,00,000	23,50,00,000
3) Interest Income	N	60,76,395	27,28,190
4) Other Non-Operative Income	O	75,67,792	64,14,290
TOTAL:		49,34,45,522	45,67,89,123
 <u>EXPENDITURE</u>			
1) Operating & Maintenance expenses	P	13,80,97,520	16,06,91,644
2) Payment & Provision to employees		28,50,94,132	20,09,89,090
3) Office expenses	Q	1,47,43,183	1,32,70,381
4) Travelling & Conveyance expenses		48,77,048	50,72,218
5) Administrative expenses	R	20,51,442	34,52,811
6) Issue and project expenses written-off	S	0	0
7) Assets and Losses Written - off	T	0	0
8) Provision for Doubtful Debts	U	0	0
Carried Over		44,48,63,325	38,34,76,144

KERALA WATER AUTHORITY

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 1991 (Contd.)

	SCH. REF.	CURRENT YEAR Rs.	PREV. YEAR Rs.
brought forward		44,48,63,325	38,34,76,144
9) Interest on			
a) Secured Loans		5,94,28,574	4,96,31,777
b) Unsecured Loans		15,40,70,935	1,59,76,567
		-----	-----
		21,34,99,509	6,56,08,344
10) Depreciation		11,93,10,825	12,16,09,716
11) Loss on sale of Fixed Assets		21,262	0
		-----	-----
TOTAL EXPENDITURE		77,76,94,921	57,06,94,204
		=====	=====
12) Transferred to Capital work - in - Progress		11,82,68,394	7,80,83,901
		-----	-----
		65,94,26,527	49,26,10,303
		-----	-----
Excess of Expenditure over Income for the year		16,59,81,005	3,58,21,180
13) Prior Period Adjustment	V	24,75,18,789	11,57,91,733
		-----	-----
Excess of Expenditure over Income transferred to Balance Sheet		41,34,99,794	15,16,12,913
		-----	-----

Schedules L to W and Notes E.01 to 2.06 form an integral part of this Income and Expenditure Account.

(Sd)

(Sd)

(Sd)

Finance Manager &
Chief Accounts Officer

Technical Member

Managing Director

Place: Thiruvananthapuram

Date: 30.11.1992.

KERALA WATER AUTHORITY
SCHEDULES FORMING PART OF BALANCE SHEET, 1990-91

	<u>CURRENT YEAR</u> Rs.	<u>PREV. YEAR</u> Rs.
CONTRIBUTIONS AND GRANTS		
1) Net value of Assets taken over	383,44,94,541	366,31,77,628
2) Cont & Grants from State Govt.	185,03,13,096	147,09,13,096
3) Donated Capital Assets.	8,66,776	5,45,600
4) Capital cont. from others	20,39,04,521	19,11,93,417
TOTAL	588,95,78,934	533,08,29,741

	<u>CURRENT YEAR</u> Rs.	<u>PREV. YEAR</u> Rs.
RESERVES & SURPLUS		
	0	0

	<u>CURRENT YEAR</u> Rs.	<u>PREV. YEAR</u> Rs.
SECURED LOANS		
1) Loan from LIC of India	67,98,10,029	60,74,12,159
2) Loan from HUDCO	2,14,22,000	0
3) Interest accrued and due	0	0
TOTAL:	70,12,32,029	60,74,12,159

	<u>CURRENT YEAR</u> Rs.	<u>PREV. YEAR</u> Rs.
UNSECURED LOANS		
1) Loan from Govt. of Kerala	156,19,52,736	95,14,19,500
2) Loan from Industrial consumers	6,30,27,541	6,60,16,628
3) Deposit from Local bodies	91,21,754	91,05,994
4) Security Deposits	2,90,99,964	1,95,19,121
5) Earnest Money Deposits	9,99,097	11,56,907
6) Water Connection Deposits	22,08,944	16,10,753
7) Sewer Connection Deposits	1,40,702	1,23,304
8) Deposit Work-water supply & Sewerage	5,72,21,574	4,16,58,744
9) Other deposits	47,16,295	47,16,469
10) Unclassified Deposits	8,65,92,416	8,65,92,416
TOTAL:	181,50,81,023	118,19,19,836

ACCOUNT CODE	DESCRIPTION	COST / VALUE			DEPRECIATION BLOCK			NET BLOCK		
		BALANCE AS ON 1-4-90	ADDITIONS DURING YEAR	DEL	AS ON 31-3-91	BALANCE AS ON 1-4-90	DEL	DEL 31-3-91	AS ON 31-3-91	PREVIOUS YEAR
1011	FREE HOLD LAND	608,425,340	7,936,673	0	616,362,013	0	0	0	616,362,013	608,425,340
1012	LEASE HOLD LAND	0	0	0	0	0	0	0	0	0
113/4	LAND DEVELOPMENT EXPENDITURE	69,824,217	25,380	0	69,849,597	0	0	0	69,849,597	69,824,217
102	CIVIL WORKS	1,206,216,162	0	0	1,206,216,162	385,758,779	27,365,627	0	413,124,406	793,091,756
103	BUILDINGS	258,884,433	0	0	258,884,433	81,415,523	4,315,295	0	85,730,818	173,153,615
104	PLANT AND MACHINERY	337,868,331	964,239	0	338,832,570	199,330,437	10,136,334	0	209,466,771	138,537,894
105	MAJNS AND NETWORK	3,507,529,959	0	0	3,507,529,959	1,402,671,574	72,922,685	0	1,475,594,259	2,031,935,700
106	ROADS BRIDGES AND CULVERTS	53,423,194	0	0	53,423,194	38,046,132	962,423	0	39,008,555	14,414,639
107	VEHICLES	31,487,021	1,642,722	241,762	32,887,981	21,927,155	1,796,410	220,500	23,503,065	9,384,916
108	FURNITURE, FIXTURES AND OFFICE EQUIPMENTS	32,171,954	2,491,209	0	34,663,163	15,831,440	1,812,051	0	17,643,491	16,340,514
T O T A L :		6,105,830,611	13,080,223	241,762	6,118,649,072	2,144,981,040	119,310,825	220,500	2,264,071,365	3,854,577,707

	THIS YEAR (Rs.)	PREVIOUS YEAR (Rs.)
GROSS VALUE OF FIXED ASSETS	6,118,649,072	6,105,830,611
LESS: ACC. DEPRECIATION	2,264,071,365	2,144,981,040
NET VALUE OF FIXED ASSETS	3,854,577,707	3,960,849,571
ADD: C.W.I.P. A/C CODE 11	2,849,523,828	2,057,492,969
TOTAL	6,704,101,535	6,018,342,540

KERALA WATER AUTHORITY

SCHEDULES FORMING PART OF BALANCE SHEET (Contd...)

	CURRENT YEAR Rs.	PREV. YEAR Rs.
	SCHEDULE-F	
INVESTMENTS	0.00	0.00
	SCHEDULE-G	
CURRENT ASSETS		
1) Inventory		
a) Stores Tools & Spares	44,50,08,307	15,83,18,177
b) Consumables	39,56,877	25,80,152
c) Others	4,70,343	4,70,343
	44,94,35,527	16,13,68,672
2) Sundry Debtors		
a) Consumers		
i) Local Bodies Dues. Water & Maintenance charges	71,90,74,039	58,67,49,000
ii) Others	7,08,63,566	6,46,73,598
b) LIC loan repayment due from Local Bodies	17,63,44,938	17,64,65,694
c) Others	7,25,394	7,25,394
	96,70,07,937	82,86,13,686
3) Cash & Bank Balance		
a) Bank & Treasury Balance	22,50,77,613	28,35,40,425
b) Cheques & bills in transit	2,70,000	0
c) Cash on hand	52,051	1,19,700
	22,53,99,664	28,36,60,125
4) Other Current Assets		
a) Inter Office and Suspense Account Balances	2,65,06,596	15,55,53,302
b) Interest accrued on short Term Deposit	9,54,990	1,75,000
	2,74,61,586	15,57,28,302
TOTAL:	166,93,04,714	142,93,70,785

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

	<u>CURRENT YEAR</u> Rs.	<u>PREV. YEAR</u> Rs.
SCHEDULE-H		
CURRENT LIABILITIES AND PROVISIONS		
1) Current Liabilities	3,61,98,342	
a) Sundry Creditors		
b) Statutory Employee deduct.	9,29,92,706	6,74,38,247
i) General Provident Fund	87,89,445	41,00,013
ii) NMR PF	7,80,836	3,18,233
iii) Others	8,26,239	8,29,569
c) Sales-tax collections	4,70,123	12,44,333
d) Tax deducted at source	52,94,60,240	51,85,73,611
e) Other current Liabilities		
f) Interest Accrued but not due - L I C	1,54,33,856	1,32,26,159
g) House Rent Deductions	14,101	2,736
	-----	-----
	68,49,65,888	60,57,32,901
2) Control Account Balances	25,02,63,189	12,22,65,928
TOTAL:	-----	-----
	93,52,29,077	72,79,98,829
	-----	-----

	Rs.	Rs.
Local Bodies		
a) Officers		
b) Bank Balance		
c) Bank & Treasury Balance		
d) Cheques & bills in transit		
e) Cash on hand		
General Current Assets		
a) Inter Office and Suspense		
b) Account Balances		
c) Interest accrued on short term deposit		
TOTAL:		

KERALA WATER AUTHORITY

SCHEDULES FORMING PART OF BALANCE SHEET (Contd....)

	CURRENT YEAR	PREV. YEAR
	Rs.	Rs.
SCHEDULE-I		
LOANS AND ADVANCES		
1) Loans & Advances to Employees	1,18,16,687	82,27,081
2) Interest accrued on loans to Employees	42,347	40,341
3) Advances for expenses	77,81,825	83,41,624
4) Advances to Suppliers/Contractors	23,40,50,416	10,69,21,387
5) Advance to Director of Municipal Administration	2,35,19,750	2,35,19,750
6) Advance to Director of Panchayats	1,90,65,000	1,80,65,000
7) Advances to KUDP	1,50,00,000	1,50,00,000
8) Advances - Others	41,57,750	0
9) Claims recoverable	16,64,912	24,99,124
10) Contribution Deposit - KSEB	4,98,589	0
11) Consumer Deposit - KSEB	1,21,06,775	75,53,938
12) Deposit with PWD	2,52,67,916	1,16,18,550
13) Deposit with others	27,63,111	20,42,576
14) Prepaid Expenses	70,354	77,595
15) Advances for Capital Expenditure	16,81,932	18,12,618
T O T A L:	35,94,87,364	20,57,19,584

KERALA WATER AUTHORITY

SCHEDULES FORMING PART OF BALANCE SHEET (Contd....)

	CURRENT YEAR Rs.	PREV. YEAR Rs.
<u>MISC. EXPENDITURE NOT WRITTEN-OFF</u>	0.00	0.00
<u>ACCUMULATED EXCESS OF EXPEND. OVER INCOME</u>		
Balance as on last year	19,47,27,656	4,31,14,743
Add:- Transfer from Schedule B	0	
- Current years excess of Expenditure over income	41,34,99,794	15,16,12,911
	60,82,27,450	19,47,27,656

(Sd)
Finance Manager &
Chief Accounts Officer

(Sd) Technical Member
(Sd) Managing Director

Place: Thiruvananthapuram.

Date : 30-11-1992.

T O T A L

KERALA WATER AUTHORITY

SCHEDULES FORMING PART OF INCOME AND EXPENDITURE ACCOUNT

OPERATING INCOME - CONSUMERS

1) Operating Income - Water supply

- a) Domestic Consumers
- b) Non-domestic Consumers
- c) Industrial Consumers

CURRENT YEAR Rs.	PREV. YEAR Rs.
	SCHEDULE-L
2,49,81,576	2,32,86,359
2,76,37,845	3,36,59,542
2,44,21,301	1,78,76,045
<hr/>	<hr/>
7,70,40,722	7,48,21,946

2) Operating Income - Sewerage

- a) Domestic Consumers
- b) Non-Domestic Consumers
- c) Industrial Consumers

7,646	11,245
0	0
0	0
<hr/>	<hr/>
7,646	11,245

3) Income from Local bodies

14,26,80,527	13,61,59,000
--------------	--------------

TOTAL:

21,97,28,395	21,09,92,191
--------------	--------------

OPERATING INCOME - OTHERS

- 1) Centage Charges
- 2) Storage Charges
- 3) Supervision Charges
- 4) Miscellaneous recoveries

	SCHEDULE - M
8,48,977	7,55,736
48,306	13,300
5,97,429	8,33,888
77,728	51,528
<hr/>	<hr/>
15,72,440	16,54,452

TOTAL:

INTEREST INCOME

- 1) Interest on loans and advances
- 2) Interest on Deposits

	SCHEDULE-N
89,572	69,097
59,86,823	26,59,093
<hr/>	<hr/>
60,76,395	27,28,190

TOTAL:

KERALA WATER AUTHORITY

SCHEDULES FORMING PART OF INCOME AND EXPENDITURE ACCOUNT (Contd...)

	CURRENT YEAR Rs.	PREV. YEAR Rs.
OTHER NON-OPERATING INCOME		
1) Income as recoveries	15,99,672	15,01,300
2) Claims recoverable	15,042	57,349
3) Miscellaneous Income	59,53,078	48,55,641
TOTAL:	75,67,792	64,14,290

OPERATING & MAINTENANCE EXPENSES

	CURRENT YEAR Rs.	PREV. YEAR Rs.
SCHEDULE - Q		
1) Consumption of Stores Tools & Spares	99,60,705	1,06,68,249
2) Consumables	85,22,165	90,11,426
3) Power Charges	6,46,84,660	8,87,75,771
4) Insurance	65,788	27,477
5) Other Operating Expenses	57,10,186	44,50,833
6) R & M of Water Supply	3,89,68,360	3,62,02,321
7) R & M of Sewerage	15,64,809	36,97,170
8) Vehicle Maintenance	86,20,847	78,58,397
TOTAL:	13,80,97,520	16,06,91,644

KERALA WATER AUTHORITY

SCHEDULES FORMING PART OF INCOME AND EXPENDITURE ACCOUNT(Contd...)

	<u>CURRENT YEAR</u>	<u>PREV. YEAR</u>
	<u>Rs.</u>	<u>Rs.</u>
OFFICE EXPENSES		
		SCHEDULE-Q
1) Rent	9,69,102	12,50,718
2) Rates & Taxes	7,69,113	5,62,404
3) Postage, Telegram, Telephone & Telex	40,60,168	42,40,112
4) Printing & Stationery expenses	24,95,405	23,41,134
5) Exhibition & Publicity expense	45,68,589	31,55,873
6) Training & Other expenses	1,62,963	91,214
7) Other Office expenses	17,17,843	16,28,926
	-----	-----
TOTAL	1,47,43,183	1,32,70,381
	-----	-----

ADMINISTRATIVE EXPENSES		
		SCHEDULE - R
1) Board Meeting Expenses	42,332	10,289
2) Professional fees	5,89,775	18,77,838
3) Payments to auditors		
a) Audit Fees	8,99,484	11,22,294
b) Audit expenses	0	0
c) Certification fees	0	0
d) Other Payments	0	0
	-----	-----
	8,99,484	11,22,294
4) Bank Charges	34,482	1,00,076
5) Donations	0	0
6) Other administrative expenses	4,85,369	3,42,314
	-----	-----
TOTAL:	20,51,442	34,52,811
	-----	-----

ISSUE & PROJECT EXPENSES WRITTEN - OFF	0	0
	-----	-----

ASSETS AND LOSSES WRITTEN-OFF	0	0
	-----	-----

KERALA WATER AUTHORITY

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1991

BALANCE SHEET

1.

1.01.	<u>CONTRIBUTIONS & GRANTS</u>	<u>CURRENT YEAR Rs.58895.79 LAKHS</u>
	(SCHEDULE - A)	<u>PREVIOUS YEAR Rs.53308.30 LAKHS</u>

Contributions and Grants 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 amounting to Rs.38344.95 lakhs (Rs.36681.78 lakhs). Movements in Net Assets taken over by the Authority is given in Annexure I. (ii) all contributions and Grants (Plan) received by the Authority since its formation amounting to Rs.18503.13 lakhs (Rs.14709.13 lakhs) (iii) all assets received by way of donations valued at fair market value amounting to Rs.8.67 lakhs Rs.5.46 lakhs and (iv) all other miscellaneous grants and contributions received from various sources amounting to Rs.2039.05 lakhs (Rs.1911.93 lakhs)

1.02	<u>SECURED LOANS</u>	<u>CURRENT YEAR Rs.7012.32 LAKHS</u>
	(SCHEDULE - C)	<u>PREVIOUS YEAR Rs.6074.12 LAKHS</u>

The secured loan represents (i) the balance of loan availed by the local bodies and Kerala State Rural Development Board from L.I.C. of India prior to the formation of the Authority which liability of repayment was transferred to the Authority which liability of repayment was transferred to the Authority amounting to Rs.1763.45 lakhs (Rs.1764.66 lakhs); and (ii) the balance of loan availed by the Authority from L.I.C. of India since its formation amounting to Rs.5034.65 lakhs (Rs.4309.46 Lakhs. (iii) loan availed from HUDCO Rs.214.22 lakhs (Rs.NIL). The above loans have been guaranteed by the Government and no provision has been made towards guarantee commission, as the Authority is not liable to pay guarantee commission as per G.O.MS.No.348/80/Fin. dated 7.6.80.

1.03 UNSECURED LOANS CURRENT YEAR Rs.18150.81 LAKHS
(SCHEDULE - C) PREVIOUS YEAR Rs.11819.20 LAKHS.

1.03.1 Interest has been provided on loan from Government of Kerala on simple interest rate and the interest relating to previous years having been charged to the Income and Expenditure Account as per Prior period adjustments. Penal interest has not been provided as the Authority has approached the Government of Kerala for moratorium in payment of interest and also for a reduction of such interest rate.

1.03.2 All deposit figures stated are subject to reclassification and their subsequent reconciliation by individual divisions.

1.04. FIXED ASSETS CURRENT YEAR Rs./67041.02 LAKHS
(SCHEDULE-E) PREVIOUS YEAR Rs.60183.43 LAKHS

1.04.1 The value of fixed assets represents (i) the value of Fixed Assets and Capital Work-in-progress vested in and transferred to the Authority amounting to Rs.42182.30 Lakhs and (ii) the additions made by the Authority since its formation, after providing for depreciation thereon.

1.04.2 The Fixed Assets Register has been prepared upto the year 1986-87 and is in the process of being updated.

1.05 CURRENT ASSETS CURRENT YEAR Rs.16693.05 LAKHS
(SCHEDULE - G) PREVIOUS YEAR Rs.14293.71 LAKHS)

1.05.1 The Stock figures stated are subject to reconciliation with individual Divisions and subsequent reclassification.

1.05.2 The Current Assets include dues from local bodies on account of (i) loans availed from L.I.C amounting to Rs.1763.45 lakhs (Rs.1764.66 lakhs); and (ii) water and maintenance charges amounting to Rs.7190.74 lakhs (Rs.5867.49 lakhs) for which confirmation of balances have not been obtained.

1.05.3 The Sundry Debtors balances have not been reconciled and no provision been made towards doubtful debts.

1.05.4 The reconciliation of Bank Balance with the bank statements is in progress.

1.05.5 The reconciliation of Inter office Account balances is in progress.

1.05.6 The Inter office and Suspense account balances comprise the following:

Inter office Accounts : Debit Rs.130.62 lakhs

Debit Rs.1430.54 lakhs)

Cash and Bank Suspense : Debit Rs.134.45 lakhs

Debit Rs.124.99 lakhs)

representing the differences in Receipts & Payments statements for the years 1984-85 to 1990-91. Carry forward errors. Remittances into bank not accounted in the Cashbook and Cash in transit not accounted correctly.

Control Account Balances

Credit Rs.2502.63 Lakhs (Credit Rs.1222.45 Lakhs)

representing the mistakes committed by division in the filling of statements of abstract of work register.

1.07. LOANS & ADVANCES

CURRENT YEAR Rs.354.87 LAKHS

PREVIOUS YEAR Rs.207.20 LAKHS

CURRENT YEAR Rs.9352.29 LAKHS

PREVIOUS YEAR Rs.7279.99 LAKHS

1.06 CURRENT LIABILITIES
(SCHEDULE - H)

1.06.1 The balances shown under statutory employee deductions of General Provident Fund and NMR PF is net of advances given to employees under respective heads.

1.06.2 The actual interest on GPF has been accounted for the years upto 1987-88. Interest for the remaining periods including the current year has been provided @12% per annum on the opening balance, as applicable for that accounting year.

1.06.3 The G.P.F. Balance have not been reconcile with the individual accounts and the same is in progress.

1.06.4 The balances due to N.M.R. employees on account of provident fund as at 31st March 1984 has not yet been ascertained and not included in the current liabilities. The finalisation of dues on this account is in progress.

1.06.5 The liability on account of Gratuity and Pension to the employees as on 31st March 1984 is not included as the same is not quantified and intimated by the Government to the Authority. The subsequent liability has also not been provided for the same is being accounted on cash basis.

1.06.6 Control Account Balances

Credit Rs.2502.63 Lakhs (Credit Rs.1222.66 lakhs)

representing the mistakes committed by divisions in the filling up of Statements of abstract of works Register.

1.07. LOANS & ADVANCES
(SCHEDULE - J)

CURRENT YEAR Rs.3594.87 LAKHS

PREVIOUS YEAR Rs.2057.20 LAKHS

1.07.1 Balances of Loans & Advances given to employees together with interest thereon have not been reconciled with individual accounts.

1.08

ACCUMULATED EXCESS OF EXPENDITURE OVER INCOME

(SCHEDULE - K)

CURRENT YEAR Rs.6082.27 LAKHS

PREVIOUS YEAR Rs.1947.28 LAKHS

The accumulated excess of expenditure over income comprises of carry forward balance of Rs.1947.28 lakhs and current year's excess of expenditure over income of Rs.4135.00 lakhs. Rs.2475.19 lakhs (Rs.1157.92) represents prior period charges relating to provision of interest on loans from Government of Kerala, adjustments relating to power charges, Repairs & Maintenance and others.

1.09

Based on the comments of the PAG(Audit) and incorporating certain rectification entry the excess of expenditure over income has been reduced by Rs.317.93 Lakhs.

2.

INCOME AND EXPENDITURE ACCOUNT

2.01.

OPERATING INCOME

CURRENT YEAR Rs.2197.29 LAKHS

(SCHEDULE - L)

PREVIOUS YEAR Rs.2109.92 LAKHS

2.01.1

The operating income from consumers represent the water, sewerage and maintenance charges demanded by the Authority from consumers and local bodies during the year.

2.01.2

Income to the extent of Rs.46.5 Lakhs from the Industrial consumers for the period (1989-90 & 1990-91) has not been accounted, since the revision of rates have not yet been finalised and will be considered on finalisation of the same.

2.02.

PAYMENT AND PROVISION TO EMPLOYEES

CURRENT YEAR Rs.2850.94 LAKHS

PREVIOUS YEAR Rs.2009.89 LAKHS

The wages of certain categories of employees have been charged to operation and maintenance expenses or capital expenditure as per the system of accounting followed in the previous years and no

reclassification was carried out.

2.03 DEPRECIATION

CURRENT YEAR Rs.1193.11 LAKHS

PREVIOUS YEAR Rs.1216.10 LAKHS

Depreciation has been provided for on straight line method to write off 90% of the cost/value of fixed Assets over the estimated useful life of the Assets concerned.

2.04 EXCESS OF EXPENDITURE FOR THE YEAR

CURRENT YEAR Rs.1659.81 LAKHS

PREVIOUS YEAR Rs.358.21 LAKHS

The loss for the year is higher due to provision of interest on the unsecured loan from the Government of Kerala. Rs.1367.00 (Rs. Nil) and the interest pertaining to previous years have been adjusted through Prior period adjustments.

2.05 PRIOR PERIOD ADJUSTMENTS

CURRENT YEAR Rs.2475.19 LAKHS

PREVIOUS YEAR Rs.1157.92 LAKHS

The current year figure represents the following Rs.Lakhs

Interest on unsecured loan from Government of Kerala 2564.73

Adjustment for:-
 Repairs & Maintenance 48.84
 Stores & Others 2.20
 51.04

Less: Power Charges 140.58
2475.19
2475.19

The above figures are not considered in the earlier years accounts. The system of accounting followed in the previous years and the operation and maintenance expenses for capital expenditure are not considered in the earlier years accounts.

2.06 GENERAL

2.06.1 In order to absorb project overheads on capital works, a transfer of revenue expenditure to capital works-in-progress @ 10% in the case of Bilateral schemes and @22% in the case of other schemes on the Capital Expenditure incurred during the year has been made.

2.06.2 No provision for loss arising due to theft & damage to stores, has been made since such loss has not yet been quantified.

2.06.3 Previous year figures have been regrouped/reclassified wherever necessary.

(Sd)

(Sd)

(Sd)

Finance Manager &
Chief Accounts Officer,

Technical Member - Managing Director

Place: Thiruvananthapuram.

Date : 30-11-1992.

Movements in Net Assets Taken over by the Authority

Rs. in Lakhs.

Value as on April 1, 1984 435,53.06

Less: Adjustment for 1986-87

Loan - Industrial Consumers 5,88.41

429,64.65

Less: Adjustment for 1987-88

Loan - Industrial Consumers 1,53.59

428,11.06

Less: Adjustment for 1988-89

IAPWD - Liability 71,00.40

357,10.66

Add: Adjustment for 1989-90

IAPWD - Liability 9,71.12

366,81.78

Add: Adjustment for 1990-91

IAPWD - Liability 16,63.17

383,44.95

Balance as per current Balance Sheet

=====

Reply on the Audit Report on the Accounts of KWA
for the year 1990-91

No remarks called for

1.

2.

Based on cost and Revenue Studies conducted, action has been taken by the Govt. to revise water tariff annually to gradually make KWA carry on its operation without loss.

3.

i) The net value of assets taken over as on 01.04.84 of the erstwhile PHED has been provisionally valued and sent for the approval of the Government. The Change in the net worth value as on 31.03.91 has been properly disclosed in the Accounts by way of notes to Accounts.

Action is being taken to value the assets and liabilities of K.S.R.D.B, 2 Corporations and 8 Municipalities in order to incorporate the same in the Accounts of the Authority.

ii) The depreciation has been charged to the Income and Expenditure and the Depreciation Reserve created has been properly shown in the Schedule 'E' of the Balance sheet. As there is no surplus funds, investment of depreciation reserve has not been made.

iii) Necessary action has been taken to obtain the details from the division and rectify the omission.

iv) The updation of Fixed Assets Register upto 31.03.92 is in progress. On completion of the above work entries will be made in the accounts rectifying the under/over statement of Depreciation, work-in Progress and Fixed Assets. Steps are also taken to appoint a consultant for the speedy completion of the above work.

v) The Suspense Clearance Cell formed with the Officers on deputation from the Office of Accountant General have been entrusted with the task of rectifying mistakes pointed out in the paragraph 13 of the Audit Report on the accounts of the Authority for the period 1989-90.

vi) The divisions are directed to carry out the physical verification of inventory as on 31.03.93 and submit the valuation sheets of closing stock value as on 31.03.92. Difference if any will be adjusted in the subsequent year's accounts.

vii) Steps are already taken to reconcile the Non-Operative Bank Account.

viii) Sundry Debtors: Rs.96,70,07,937/-

Steps have been taken to collect the dues from consumers. Notices and Reminders have already been sent to local bodies and Govt. Departments/Institutions asking them to remit the arrears immediately. It was clearly mentioned in the notices that the Water Supply will be out off unless the arrears are remitted within a specified date. Steps have been taken to appoint a consultant for the speedy completion of the above work.

ix) A separate cell with Officers of Accountant General has been formed to rectify the points raised in the Audit Report.

x) Demands are based on PICs and not based on actual meter reading. Meter readings are taken only once in six months and adjustment bills will be issued based on the actual consumption. The demand for maintenance charges against Panchayats and Municipalities are raised on provisional basis. Steps are being taken to correct the short fall if any on the demand.

xi) Action is being taken to get the details from K.S.E.B, after which corrections if any will be made in the subsequent year's accounts.

4. The following rules are pending at various stages noted below:

<u>No.</u>	<u>Regulations</u>	<u>Status</u>
1.	Payment of TA, DA and sitting Allowances to Member of Authority Rules.	Referred to subject committee for approval
2.	Technical Service Special Rules	Under Examination with various departments.
3.	Re-imbusement of Medical Expenditure Rules.	- do -
4.	Depreciation Reserve and its utilization Rules	- do -
5.	Surcharge Rules	- do -
6.	Water Supply through Public Hydrant Rules	- do -
7.	Management & Allotment of Quarters & Building Regulation	- do -
8.	Power of Employees Regulations	Awaiting revised proposal.

5. The main reason for the arrears in the internal audit wing is shortage of staff. The internal audit programmes of the current year are being drafted so as to cover as many units as possible and then reduce the shortfall in the internal audit. Action is also being taken to strengthen the Internal Audit Wing by posting more staff.

6. All the Chief Engineers, Superintending Engineers and Executive Engineers have been instructed that they should give proper attention to all audit objections, orders and other points in the inspection reports received from Resident Audit Officer without any delay. They have also been directed to ensure that replies to

all outstanding audit objections are furnished to the PAC as expeditiously as possible. The progress in the clearance of all the outstanding audit objections and inspection reports are watched and further action are taken wherever necessary.

(Sd)

Finance Manager
and
Chief Account Officer.