

# **KERALA WATER AUTHORITY**



## **ANNUAL ACCOUNTS FOR THE YEAR**

**1993-94**

---

---

**HEAD OFFICE : WATER WORKS CAMPUS, THIRUVANANTHAPURAM - 695 033**

---

---

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

# **KERALA WATER AUTHORITY**

## CONTENTS

1.	AUDIT CERTIFICATE & AUDIT REPORT	
2.	ACCOUNTS	
3.	REPLY TO AUDIT REPORT	
4.	FINANCIAL RESULTS	

# **ANNUAL ACCOUNTS**

**FOR THE YEAR**

**1993-94**

## AUDIT CERTIFICATE

### CONTENTS

Sl.No.		Page No.
1.	AUDIT CERTIFICATE & AUDIT REPORT	1
2.	ACCOUNTS	8
3.	REPLY TO AUDIT REPORT	23
4.	FINANCIAL RESULTS	25
5.	GRAPHS	27

AUDIT REPORT ON  
THE ACCOUNTS OF KERALA WATER AUTHORITY  
**AUDIT CERTIFICATE**  
FOR THE YEAR ENDED 31st MARCH 1994

*I have examined the Income and Expenditure Account for the year ended 31st March 1994 and the Balance Sheet as on 31st March 1994 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.*

Thiruvananthapuram  
9th November, 1995

PRINCIPAL ACCOUNTANT GENERAL

# AUDIT REPORT ON

## THE ACCOUNTS OF KERALA WATER AUTHORITY

### FOR THE YEAR ENDED 31st MARCH 1994

#### 1. INTRODUCTION

The Kerala Water & Waste Water Authority was established on 01-04-1984 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 15 years from 1984-85 to 1998-99.

#### 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 it 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 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 1993-94.

	(Rupees in lakhs)	
	1992-93	1993-94
<b>Expenditure</b>	2334.75	2829.33
Operation & Maintenance	3651.54	4196.03
Establishment & Other Expenses	3234.56	4111.24
Interest	1158.74	1148.83
Depreciation		
<b>Total</b>	<b>10379.59</b>	<b>12285.43</b>
Less : Establishment expenses allocated to capital works	1219.39	1157.58
	<b>9160.20</b>	<b>11127.85</b>
	<b>1992-93</b>	<b>1993-94</b>
<b>Income</b>		
Revenue	3092.39	3920.69
Other Income	134.00	196.52
Grants-in-aid from State Government	2858.13	3440.03
<b>Total</b>	<b>6084.52</b>	<b>7557.24</b>
Excess of Expenditure over Income for the year	3075.68	3570.61
Add/Deduct prior period Adjustment (-)	32.09 (-)	140.70
<b>Excess of Expenditure over Income</b>	<b>3043.59</b>	<b>3429.91</b>
<b>Accumulated Excess of Expenditure over Income at the end of the year</b>	<b>11780.55</b>	<b>15210.40</b>

The accumulated deficit in the working of the Authority at the end of 1993-94 amounted to Rs.152.10 crores. The current year's deficit of Rs.34.30 crores was mainly on account of increased expenditure on operation & maintenance, establishment and interest.

The interest payable to the State Government at the end of 1993-94 amounted to Rs.104.10 crores.

### 3. COMMENTS ON ACCOUNTS

Balance Sheet

Source of Funds

Contribution and Grants - Schedule A

Net value of Assets taken over - Rs.388,28,68,875.

- (i) The net value of the assets and liabilities taken over on 1st April 1984 was assessed at Rs.43553.06 lakhs. There had been adjustments to the net value year after year.

The original valuation and the revision had not been approved by Government of Kerala in accordance with Section 16(2) of the Act.

Assets and liabilities of the Kerala State Rural Development Board taken over on 1st August 1984 have not been incorporated in the Accounts.

The Water Supply and Sewerage Schemes of two Municipal Corporations (Kochi and Kozhikode) and eight Municipalities (Kollam, Kottayam, Alappuzha, Thrissur, Aluva, Palakkad, Palal 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.

(ii) Contributions and Grants from State Government - Rs.303,92,38,096

This does not include Rs.7.88 lakhs received as grant for Drought Relief Works by one of the Units (Public Health Division, Kollam) credited to Inter Office and suspense account balance in Schedule-G.

### APPLICATION OF FUNDS

(iii) Fixed Assets	:	615,17,23,180
Gross Block		
Less : Depreciation reserve	:	261,21,71,546

Fixed Assets registers have not been prepared for the years 1987-88 onwards and hence accuracy of the depreciation could not be ensured.

Depreciation on Fixed Assets for the year has been worked out as indicated below :

	Rs. in lakhs
Provision for 1993-94	1158.74
Add : Depreciation on the additions	4.56
Less : Depreciation in respect of fully depreciated assets	14.47
<b>Total</b>	<b>1148.83</b>

(iv) Capital work In Progress : Rs.505,58,87,518

(a) The cost of Civil Works, Buildings, Mains and Net Works, Roads Bridges and Culverts commissioned since 1986-87 has 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 in to use since 1986-87 has not been provided and the arrears of depreciation in respect of such assets have not been disclosed.

(b) The short provision on account of depreciation assessed by a firm of consultants in respect of value of assets to be transferred from work in progress to fixed assets up to the end of 1991-92 amounted to Rs.1652.60 lakhs. This has not been adjusted.

Addition to Fixed Assets during 1992-93 and 1993-94 to be transferred from works in progress had not been assessed and no depreciation has been provided for these assets in use.

- (c) Capital Works In progress includes the capital expenditure of Rs.118.19 lakhs incurred on the construction of Indoor Stadium at Thiruvananthapuram which was handed over to the Kerala Sports Council, Thiruvananthapuram on completion on 17-11-1989. No adjustment was made in the accounts to exclude the cost from the works in progress after adjusting the assistance of Rs.90 lakhs received from Government.

*Net Current Assets*

Current Assets	-	Schedule - G
Inventory	-	Rs.54,70,94,318

- (v) The Division-wise scrutiny of balances has not been completed, as mentioned in previous year's Audit Reports.

Stores, Tools and Spares : Rs.54,00,57,425

- (vi) The balance has not been reconciled with the balances with the priced stores ledgers of individual divisions. The difference between the issue price of stores to work and cost has not been worked out and adjusted in accounts. The balance has been arrived at after adjusting credit balances of Rs.18,10,823 which had not been analysed.

This has been understated by Rs.73,67,872 being the cost of steel and cement issued to contractors on cost recoverable basis accounted twice in 45 cases test checked. This has resulted in overstating the operating and maintenance expenses by Rs.11,25,531 and current liabilities and provisions by Rs.62,42,341.

The stock balance is overstated by Rs.10,18,200 being the cost of steel accounted by one of the units (T.I.A. Division, Thiruvananthapuram) twice. Balance under current liabilities and provisions is correspondingly overstated.

Consumables : Rs.65,66,550

- (vii) This has been arrived at after adjusting credit balances amounting to Rs.22,30,378.

(vii) Sundry Debtors : Rs.125,28,29,863

This includes Rs.11,427,30 lakhs being dues from local bodies of which Rs.9,664.36 lakhs is on account of water and maintenance charges and Rs.1,762.94 lakhs towards loan repayment of Life Insurance Corporation of India. Water charges due from other consumers amounted to Rs.10,58.69 lakhs.

Income by way of water and maintenance charges during 1993-94 was Rs.3,890.90 lakhs and the arrears of Rs.10,723.05 lakhs due from the local bodies and other consumers represented more than 2½ years demand. Details of arrears were as follows :

	Rs. in lakhs
Panchayats	4606.51
Municipalities	2753.17
Corporations	2304.68
Domestic Consumers	487.54
Non-Domestic Consumers	369.27
Industrial Consumers	201.88
<b>Total</b>	<b>10723.05</b>



The dues from Panchayats, Municipalities and Corporations have not been reconciled with a consolidated demand collection and balance statements duly accepted by them. The dues from other consumers have not been reconciled with the individual consumers personal ledger accounts.

#### Cash and Bank Balances

Bank and Treasury Balance : Rs.30,24,53,799

- (ix) The revenue collected by the units is transferred to Head Office Accounts in the State Bank of Travancore, Kowdar, Thiruvananthapuram. Similarly the financial settlement in respect of stores transfer between units are adjusted through bank accounts. Remittance and adjustments made by units into Head Office Account have not been reconciled.

The cash and bank balances as per Head Office Accounts and those as per Individual units accounts do not agree and the accumulated difference amounted to Rs.148.58 lakhs (debit) of which Rs.148.56 lakhs pertains to the years 1984-85 to 1992-93 and Rs.0.02 lakh to the current year. (The amount stands included under "Other Current Assets - Inter Office and Suspense Account Balances").

In addition to the difference of Rs.148.58 lakhs referred to, difference between the balances as per Head Office Accounts and Individual unit accounts amounting to Rs.157.29 lakhs was also noticed during the current year which was not transferred to "Inter Office and Suspense Account Balances" as done during previous years. Reasons for the cumulative difference of Rs.305.87 lakhs had not been investigated.

#### Other Current Assets

Inter Office and Suspense Account Balance : Rs.6,93,05,557 (Credit)

- (x) The balance comprises of the following :

	Debit (Rs.)	Credit (Rs.)
10 A - Materials	7,63,98,332	---
10 A - Stock and Stores	---	1,66,20,533
10 A - Tools and Spares	---	3,45,305
10 A - Consumables	36,93,147	---
10 A - Plant & Machinery	6,28,225	---
10 A - Vehicles	---	7,09,596
10 A - Furniture, Fixtures etc.	---	2,46,850
10 A - IPD Expenses	2,30,202	---
10 A - Capital Expenditure	---	27,69,128
10 A - Fund Transfer	---	55,694
10 A - Cash	21,28,244	---
10 A - Bank - Drawing	4,74,16,249	---
10 A - Treasury	---	7,65,15,164
10 A - Bank - Non-Operative	---	14,46,54,985
10 A - Contra	---	27,47,358
10 A - Others	2,14,290	---
10 A - Other Expenses	13,20,492	---
10 A - Other Income	---	32,80,899
10 A - Other Liabilities	13,78,986	---
10 A - Other Assets	3,03,74,098	---
Cash and Bank Suspense	1,48,57,690	---
<b>Total</b>	<b>17,86,39,955</b>	<b>24,79,45,512</b>

Balance Credit - 6,93,05,557.

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

- (xi) Current Liabilities and Provisions.  
Statutory Employees deductions : Rs.15,27,43,141  
General Provident Fund

The balances as per the individual credit card amounts to Rs.15,88,23,870. The difference of Rs.60,80,729 has not been reconciled.

The balance does not include Rs.6,23,883 being the balances transferred from NMR PF in respect of 57 NMR workers who were absorbed into regular establishment and allotted GPF numbers.

The balance includes Rs.82,048 being the Provident Fund balance in respect of 17 employees of Municipalities/Panchayats absorbed into the establishment of the Authority. The amount received from the Director of Municipal Administration had not been accounted in the respective Personal Ledger Accounts since PF Account numbers were not allotted to them.

NMR - PF : 1,98,10,002

Individual credit cards were not prepared during the year and issued to the subscribers.

- (xii) Control Accounts Balance : Rs.29,66,11,721

This includes Rs.44,61,353 received from Railways towards the consideration for the land and buildings transferred from the Authority with effect from 1-3-1990, which should have been adjusted against Fixed Assets.

- (xiii) Loans and Advances

Advance to suppliers/contractors : Rs.70,34,88,531

This includes Rs.36,39,08,048 representing final payments made to contractors (debit balance) in respect of Capital/Revenue Works which remain unadjusted at the end of the year. A consultant was appointed by Kerala Water Authority for the updation of fixed assets and asset related accounts upto 31-3-1992. Adjustments in the accounts based on the report of the consultant had not been carried out. No action had been taken to analyse the balances of the current year and make necessary adjustments in the accounts.

- (xiv) Payment and provision to employees : Rs.39,01,50,832

This is overstated by Rs.1,17,252 being provision for bonus made during previous years not reversed. Current Liabilities and provisions - Schedule-H is overstated by a like amount.

- (xv) Interest on Unsecured Loans : Rs.29,23,39,781

No provision has been made for additional interest and additional penal interest on World Bank Loans consequent on retrospective revision of interest rates from 1985-86 as per GO MS No.44/93/LAD dated 25-2-1993.

- (xvi) No provision was made in the accounts for the water cess payable as per water (Prevention and Control of Pollution) Cess Act 1977 for the water supplied/produced during the year.

## GENERAL

- (xvii) The Authority had not incorporated in the accounts.

(a) Capital Assets and Spares donated by UNICEF/DANIDA from 1988-89 onwards.

(b) Liability on account of road restoration charges and building tax payable to Thiruvananthapuram Corporation.

- (xviii) The Accounts Manual framed under Regulation 65(f) of the KWSS Act 1986 required that the accounts should contain the quantitative details such as quantity of clear water produced and purchased, units of water sold to domestic and non-domestic consumers, local bodies, industrial consumers etc. The provision had not been complied with inspite of comments during the previous year.
- (xix) The income from Panchayats and Urban Local Bodies as a result of retrospective revision of rates with effect from 1-4-1991 had not been assessed. The difference between the income already accounted and the income assessed on the basis of the revised orders of Government has not been adjusted in the accounts.

#### 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 making provision for Depreciation Reserve and its utilisation etc.

5. The Authority has not created a fund as required under Revolving Fund (Water connection to Low Income House Holds) Rules 1992 to provide loan assistance to Low Income House Holds.

#### 6. INTERNAL AUDIT

The 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. From the inception of the Wing, the number of offices inspected fell short of the target of 26 in all the years, as follows :

Year	No. of Offices due for inspection	No. of Offices actually inspected	Shortfall in inspection
1984-85	26	10	16
1985-86	26	25	1
1986-87	26	18	8
1987-88	26	19	7
1988-89	26	20	6
1989-90	26	17	9
1990-91	26	14	12
1991-92	26	9	17
1992-93	26	9	17
1993-94	26	13	13

The shortfall in inspection is attributed by the Authority to shortage of staff. In spite of repeated comments in previous Audit Reports on the unsatisfactory functioning of the wing, the position continued to be unsatisfactory.

PRINCIPAL ACCOUNTANT GENERAL

Thiruvananthapuram,  
November, 1995.

**KERALA WATER AUTHORITY**  
**EXPLANATORY NOTE ON THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st MARCH 1994**

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 therewith. The ordinance was replaced by the Kerala Water Supply and Sewerage Act, 1980 (The Act).

In accordance with Section 10 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 29 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 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 and subject to the approval of the Government.

The Accrual Accounting System was made fully operational with effect from 1st April 1988. The Accounts for the year 1993-'94 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 relevant paragraphs in the notes on accounts.

Finance Manager &  
Chief Accounts Officer

GENERAL

Accounts Member

Managing Director

Place : Thiruvananthapuram  
Date : 29-05-1995.

**KERALA WATER AUTHORITY**  
**BALANCE SHEET AS AT 31st MARCH, 1994**

	Sche. Ref.	Current Year Rs.	Prev. Year Rs.
<b>SOURCES OF FUNDS</b>			
1) Kerala Water Authority Fund			
a) Contributions & Grants	A	722,69,65,066	676,31,21,641
b) Reserves & Surplus	B	0	0
2) Kerala Water Authority Loan Fund			
a) Secured Loans	C	117,79,23,816	99,02,02,822
b) Unsecured Loans	D	260,77,95,643	214,19,12,532
<b>TOTAL</b>		<b>1101,26,84,525</b>	<b>989,52,36,995</b>
<b>APPLICATION OF FUNDS</b>			
1) Fixed Assets	E		
Gross block		615,17,23,180	613,79,53,674
Less: depreciation reserve		261,21,71,546	249,72,88,807
Net block		353,95,51,634	364,06,64,867
Capital Work In progress		505,58,87,518	427,32,32,853
		859,54,39,152	791,38,97,720
2) Investments	F	0	0
3) Net Current Assets			
a) Current Assets	G	203,45,23,163	180,37,54,251
b) Current Liabilities	H	209,79,36,412	173,85,76,448
		(6,34,13,249)	6,51,77,803
4) Loans and Advances	I	95,96,12,267	73,81,06,083
5) Miscellaneous Expenditure not written off	J	0	0
6) Accumulated Excess of Expenditure over Income	K	152,10,46,355	117,80,55,389
<b>TOTAL</b>		<b>1,101,26,84,525</b>	<b>989,52,36,995</b>

Schedules A to K and Notes 1.01 to 1.08 and 2.05 form an Integral part of this Balance Sheet.

Finance Manager &  
Chief Accounts Officer

Accounts Member

Managing Director

Place : Thiruvananthapuram  
Date : 29-05-1995

## KERALA WATER AUTHORITY

### INCOME AND EXPENDITURE ACCOUNT

#### FOR THE YEAR ENDED 31st MARCH, 1994

	Sche. Ref.	Current Year Rs.	Prev. Year Rs.
<b>INCOME</b>			
1) Operating Income	L	38,90,89,868	30,66,07,521
a) Consumers	M	29,78,945	26,31,336
b) Others		<b>39,20,68,813</b>	<b>30,92,38,857</b>
2) Grants and Subventions from Govt. of Kerala		34,40,03,000	28,58,13,000
3) Interest Income	N	40,92,467	41,71,300
4) Other Non-operative Income	O	1,55,60,004	92,29,223
<b>TOTAL</b>		<b>75,57,24,284</b>	<b>60,84,52,380</b>
<b>EXPENDITURE</b>			
1) Operating & Maintenance expenses	P	28,29,33,248	23,34,74,833
2) Payment & Provision to employees		39,01,50,832	33,40,49,565
3) Office expenses	Q	2,02,29,704	2,23,59,942
4) Travelling & Conveyance expenses		59,03,677	52,72,616
5) Administrative expenses	R	33,19,286	34,72,360
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
9) Interest on			
a) Secured Loans		11,87,84,035	8,93,29,007
b) Unsecured Loans		29,23,39,781	23,41,27,272
10) Depreciation		<b>41,11,23,816</b>	<b>32,34,56,279</b>
		11,48,82,739	11,58,73,913
<b>TOTAL EXPENDITURE</b>		<b>1,22,85,43,302</b>	<b>1,03,79,59,508</b>

	Sche. Ref.	Current Year Rs.	Prev. Year Rs.
11) Transferred to Capital Work-In-Progress		11,57,58,406	12,19,39,507
Excess of Expenditure over Income for the year		111,27,84,896 35,70,60,612	91,60,20,001 30,75,67,621
12) Prior Period Adjustment	V	(1,40,69,646)	(32,08,660)
Excess of Expenditure over Income		<b>34,29,90,966</b>	<b>30,43,58,961</b>

Schedules L to V and Notes 2.01 to 2.05 form an integral part of this Income and Expenditure Accounts

Finance Manager &  
Chief Accounts Officer

Accounts Member

Managing Director

Place : Thiruvananthapuram

Date : 29-05-1995

UNSECURED LOANS	
1) Loan from Government of Kerala	200,29,37,110
2) Accounts Advances from GOI	7,05,25,750
3) Loan from LIC of India	3,71,21,500
4) Loan from LIC of India	2,50,00,000
5) Loan from Industrial Company	2,14,01,271
6) Deposits from Local Bodies	1,00,45,019
7) Security Deposits	2,97,84,444
8) Loans from Depository	1,00,00,000
9) Water Conservation Deposits	1,00,00,000
10) Loan from Depository	1,00,00,000
11) Loans from Depository	1,00,00,000
12) Loans from Depository	1,00,00,000
13) Loans from Depository	1,00,00,000
14) Loans from Depository	1,00,00,000
15) Loans from Depository	1,00,00,000
16) Loans from Depository	1,00,00,000
17) Loans from Depository	1,00,00,000
18) Loans from Depository	1,00,00,000
19) Loans from Depository	1,00,00,000
20) Loans from Depository	1,00,00,000
21) Loans from Depository	1,00,00,000
22) Loans from Depository	1,00,00,000
23) Loans from Depository	1,00,00,000
24) Loans from Depository	1,00,00,000
25) Loans from Depository	1,00,00,000
26) Loans from Depository	1,00,00,000
27) Loans from Depository	1,00,00,000
28) Loans from Depository	1,00,00,000
29) Loans from Depository	1,00,00,000
30) Loans from Depository	1,00,00,000
31) Loans from Depository	1,00,00,000
32) Loans from Depository	1,00,00,000
33) Loans from Depository	1,00,00,000
34) Loans from Depository	1,00,00,000
35) Loans from Depository	1,00,00,000
36) Loans from Depository	1,00,00,000
37) Loans from Depository	1,00,00,000
38) Loans from Depository	1,00,00,000
39) Loans from Depository	1,00,00,000
40) Loans from Depository	1,00,00,000
41) Loans from Depository	1,00,00,000
42) Loans from Depository	1,00,00,000
43) Loans from Depository	1,00,00,000
44) Loans from Depository	1,00,00,000
45) Loans from Depository	1,00,00,000
46) Loans from Depository	1,00,00,000
47) Loans from Depository	1,00,00,000
48) Loans from Depository	1,00,00,000
49) Loans from Depository	1,00,00,000
50) Loans from Depository	1,00,00,000
51) Loans from Depository	1,00,00,000
52) Loans from Depository	1,00,00,000
53) Loans from Depository	1,00,00,000
54) Loans from Depository	1,00,00,000
55) Loans from Depository	1,00,00,000
56) Loans from Depository	1,00,00,000
57) Loans from Depository	1,00,00,000
58) Loans from Depository	1,00,00,000
59) Loans from Depository	1,00,00,000
60) Loans from Depository	1,00,00,000
61) Loans from Depository	1,00,00,000
62) Loans from Depository	1,00,00,000
63) Loans from Depository	1,00,00,000
64) Loans from Depository	1,00,00,000
65) Loans from Depository	1,00,00,000
66) Loans from Depository	1,00,00,000
67) Loans from Depository	1,00,00,000
68) Loans from Depository	1,00,00,000
69) Loans from Depository	1,00,00,000
70) Loans from Depository	1,00,00,000
71) Loans from Depository	1,00,00,000
72) Loans from Depository	1,00,00,000
73) Loans from Depository	1,00,00,000
74) Loans from Depository	1,00,00,000
75) Loans from Depository	1,00,00,000
76) Loans from Depository	1,00,00,000
77) Loans from Depository	1,00,00,000
78) Loans from Depository	1,00,00,000
79) Loans from Depository	1,00,00,000
80) Loans from Depository	1,00,00,000
81) Loans from Depository	1,00,00,000
82) Loans from Depository	1,00,00,000
83) Loans from Depository	1,00,00,000
84) Loans from Depository	1,00,00,000
85) Loans from Depository	1,00,00,000
86) Loans from Depository	1,00,00,000
87) Loans from Depository	1,00,00,000
88) Loans from Depository	1,00,00,000
89) Loans from Depository	1,00,00,000
90) Loans from Depository	1,00,00,000
91) Loans from Depository	1,00,00,000
92) Loans from Depository	1,00,00,000
93) Loans from Depository	1,00,00,000
94) Loans from Depository	1,00,00,000
95) Loans from Depository	1,00,00,000
96) Loans from Depository	1,00,00,000
97) Loans from Depository	1,00,00,000
98) Loans from Depository	1,00,00,000
99) Loans from Depository	1,00,00,000
100) Loans from Depository	1,00,00,000
TOTAL	2,00,00,00,000

**KERALA WATER AUTHORITY**  
**SCHEDULES FORMING PART OF BALANCE SHEET**  
**AS AT 31st MARCH, 1994**

	Current Year Rs.	Prev. Year Rs.
<b>CONTRIBUTIONS AND GRANTS</b>		<b>SCHEDULE-A</b>
1) Net Value of Assets taken over	388,28,68,875	388,28,68,875
2) Cont. & Grants from State Govt.	303,92,38,096	258,36,38,096
3) Donated Capital Assets	10,50,343	10,11,639
4) Capital cont. from others	30,38,07,752	29,56,03,031
<b>TOTAL</b>	<b>722,69,65,066</b>	<b>676,31,21,641</b>
<b>RESERVES &amp; SURPLUS</b>		<b>SCHEDULE-B</b>
	0	0
<b>SECURED LOANS</b>		<b>SCHEDULE-C</b>
1) Loan from LIC of India	93,56,87,816	85,27,83,822
2) Loan from HUDCO	24,22,36,000	13,74,19,000
<b>TOTAL</b>	<b>117,79,23,816</b>	<b>99,02,02,822</b>
<b>UNSECURED LOANS</b>		<b>SCHEDULE-D</b>
1) Loan from Government of Kerala	220,29,33,740	178,83,25,940
2) Accountable Advances from GOK:		
a) For Urban L.C.S. Schemes	3,65,25,750	2,65,19,750
b) For Rural L.C.S. Schemes	3,71,51,200	2,55,65,000
c) For Kerala Urban Dev. Project	3,60,00,000	1,50,00,000
3) Loan from Industrial Consumers	5,14,61,331	5,58,03,371
4) Deposit from Local Bodies	1,00,42,678	97,55,395
5) Security Deposits	5,97,84,444	5,71,26,623
6) Earnest Money Deposits	19,46,748	24,53,786
7) Water Connection Deposits	45,67,122	30,25,783
8) Sewer Connection Deposits	3,39,439	3,29,306
9) Deposit Work-water Supply & Sewerage	7,46,38,194	6,56,02,581
10) Other Deposits	58,12,581	58,12,581
11) Unclassified Deposits	8,65,92,416	8,65,92,416
<b>TOTAL</b>	<b>260,77,95,643</b>	<b>214,19,12,532</b>



## KERALA WATER AUTHORITY

## SCHEDULE OF FIXED ASSETS AS AT 31-03-94

## SCHEDULE-E

Account Code	Description	Gross Block				Depreciation Block				Net Block	
		Balance as on 1-4-93	Additions during year	Del	As on 31-3-94	Balance as on 1-4-93	Depreciation for the year	Del	Value as on 31-3-94	As on 31-3-94	Previous Year
1011	Free Hold Land	622014650	6031582	0	628046232	0	0	0	628046232	622014650	
1012	Lease Hold Land	0	0	0	0	0	0	0	0	0	
1013/4	Land Development Expenditure	70254814	0	0	70254814	0	0	0	70254814	70254814	
102	Civil Works	1206759011	0	0	1206759011	467559108	26973585	0	494532693	712228318	739199903
103	Buildings	258903433	4960	0	258908393	94323530	4278228	0	98801758	160306635	164579903
104	Plant & Machinery	341147032	775919	0	341922951	228338504	9117547	0	237456051	104466900	112808528
105	Mains and Networks	3507589760	450225	0	3508039985	1617116718	69495743	0	1686612461	1821427524	1890473042
106	Roads Bridges and Culverts	53423194	0	0	53423194	40855477	872516	0	41727993	11695201	12567717
107	Vehicles	35497102	416120	0	35913222	27201767	1562413	0	28764180	7149042	8295335
108	Furniture Fixtures & Office Equipments	42364678	6090700	0	48455378	21893703	2582707	0	24476410	23978968	20470975
	<b>Total</b>	<b>6137953674</b>	<b>13789506</b>	<b>0</b>	<b>6151723180</b>	<b>2497288807</b>	<b>114882739</b>	<b>0</b>	<b>2612171546</b>	<b>3539551634</b>	<b>3640664867</b>

	This year (Rs.)	Previous year (Rs.)
Gross Block of Fixed Assets	6151723180	6137953674
Less : ACC. Depreciation	2612171546	2497288807
Net Value of Fixed Assets	3539551634	3640664867
Add : C. W. I. P. A/C Code 11	5055867518	4273232853
<b>Total</b>	<b>8595439152</b>	<b>7913897720</b>

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

	Current Year Rs.	Prev. Year Rs.
<b>INVESTMENTS</b>	0	0
<b>CURRENT ASSETS</b>		<b>SCHEDULE-F</b>
		<b>SCHEDULE-G</b>
1) Inventory	54,00,57,425	44,82,48,882
a) Stores Tools & Spares	65,66,550	68,82,274
b) Consumables	4,70,343	4,70,343
c) Others		
	<b>54,70,94,318</b>	<b>45,56,01,499</b>
2) Sundry Debtors		
a) Consumers		
i) Local Bodies Dues, Water & Maintenance Charges	96,64,36,348	81,47,87,252
ii) Others	10,58,69,478	10,75,43,365
b) LIC Loan Repayment Due from Local Bodies	17,62,94,043	17,63,11,008
c) Others	42,29,994	42,30,599
	<b>125,28,29,863</b>	<b>110,28,72,224</b>
3) Cash & Bank Balances		
a) Bank & Treasury Balances	30,24,53,799	21,60,90,807
b) Cheques & Bills in Transit	0	1,39,25,000
c) Cash on Hand	13,79,274	2,54,469
	<b>30,38,33,073</b>	<b>23,02,70,276</b>
4) Other Current Assets		
a) Inter Office and Suspense Account Balance	(6,93,05,557)	1,46,22,580
b) Interest Accrued on Short-term Deposit	71,466	3,87,672
	<b>(6,92,34,091)</b>	<b>1,50,10,252</b>
<b>TOTAL</b>	<b>203,45,23,163</b>	<b>180,37,54,251</b>
<b>CURRENT LIABILITIES AND PROVISIONS</b>		<b>SCHEDULED-H</b>
1) Current Liabilities		
a) Sundry Creditors	5,51,94,033	8,23,52,431
b) Statutory Employee deduct		
i) General Provident Fund	1,527,43,141	11,98,67,527
ii) NMR PF	1,98,10,002	1,29,26,181
iii) Others	(101,95,19)	2,67,133

**KERALA WATER AUTHORITY**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

(Contd.....)

	Current Year Rs.	Prev. Year Rs.
c) Sales Tax Collections	12,82,000	10,97,123
d) Tax Deducted at Source	36,24,430	18,57,225
e) Other Current Liabilities	50,34,01,493	50,26,00,254
f) Interest Accrued but not Due - LIC	2,53,15,216	2,06,94,707
Interest Accrued & Due - G.O.K Loan	104,09,81,716	77,19,47,166
g) House Rent Deductions	(7,821)	25,235
	<b>180,13,24,691</b>	<b>151,36,34,982</b>
2) Control Account Balances	29,66,11,721	22,49,41,466
<b>TOTAL</b>	<b>209,79,36,412</b>	<b>173,85,76,448</b>
<b>LOANS AND ADVANCES</b>		<b>SCHEDULE-I</b>
1) Loans & Advances to Employees	2,86,45,175	2,19,63,336
2) Advances for Expenses	1,73,64,010	1,55,95,540
3) Advances to Suppliers/Contractors	70,34,88,531	56,75,84,073
4) Advance to Director of Municipal Administration	3,65,25,750	2,65,19,750
5) Advance to Director of Panchayats	3,71,51,200	2,55,65,000
6) Advances to KUDP	3,60,00,000	1,50,00,000
7) Advances - Others	10,36,921	4,36,921
8) Claims Recoverable	2,36,23,647	25,33,636
9) Contribution Deposit - KSEB	2,14,19,486	1,55,60,064
10) Consumer Deposit - KSEB	1,29,13,360	1,21,06,775
11) Deposit with PWD	3,45,95,044	2,90,66,579
12) Deposit with Others	44,48,212	38,08,852
13) Prepaid Expenses	1,87,383	1,52,009
14) Advances for Capital Expenditure	22,13,548	22,13,548
<b>TOTAL</b>	<b>95,96,12,267</b>	<b>73,81,06,083</b>
<b>MISC. EXPENDITURE NOT WRITTEN-OFF</b>	<b>0</b>	<b>0</b>
<b>ACCUMULATED EXCESS OF EXPEND. OVER INCOME</b>		<b>SCHEDULE-K</b>
Balance Sheet as on Last Year	117,80,55,389	87,36,96,428
Add : - Transfer from Schedule B		
- Current Years Excess of Expenditure over Income	34,29,90,966	30,43,58,961
	<b>152,10,46,355</b>	<b>117,80,55,389</b>

Finance Manager &  
Chief Accounts Officer

Accounts Member

Managing Director

Place : Thiruvananthapuram

Date : 29-05-1995

## KERALA WATER AUTHORITY

### SCHEDULES FORMING PART OF INCOME AND EXPENDITURE ACCOUNT

	Current Year Rs.	Prev. Year Rs.
<b>OPERATING INCOME - CONSUMERS</b>		<b>SCHEDULE-L</b>
1) Operating Income - Water Supply	12,59,59,777	9,52,24,031
a) Domestic Consumers	10,17,83,992	7,56,63,907
b) Non-domestic Consumers	2,70,69,107	2,58,27,299
c) Industrial Consumers		
	<b>25,48,12,876</b>	<b>19,67,15,237</b>
2) Operating Income - Sewerage	840	4,978
a) Domestic Consumers	0	820
b) Non-domestic Consumers	0	0
c) Industrial Consumers		
	<b>840</b>	<b>5,798</b>
3) Income from Local bodies	13,42,76,152	10,98,86,486
<b>TOTAL</b>	<b>38,90,89,868</b>	<b>30,66,07,521</b>
<b>OPERATING INCOME - OTHERS</b>		<b>SCHEDULE-M</b>
1) Centage Charges	12,48,580	11,66,464
2) Storage Charges	11,620	19,870
3) Supervision Charges	15,07,813	13,29,633
4) Miscellaneous recoveries	2,10,932	1,15,369
<b>TOTAL</b>	<b>29,78,945</b>	<b>26,31,336</b>
<b>INTEREST INCOME</b>		<b>SCHEDULE - N</b>
1) Interest on loans and advances	1,82,037	1,03,547
2) Interest on Deposits	39,10,430	40,67,753
<b>TOTAL</b>	<b>40,92,467</b>	<b>41,71,300</b>
<b>OTHER NON-OPERATING INCOME</b>		<b>SCHEDULE - O</b>
1) Income as recoveries	85,55,126	30,38,427
2) Claims recoverable	25,001	12,724
3) Miscellaneous Income	69,79,877	61,78,072
<b>TOTAL</b>	<b>1,55,60,004</b>	<b>92,29,223</b>

**KERALA WATER AUTHORITY**  
**SCHEDULES FORMING PART OF INCOME AND**  
**EXPENDITURE ACCOUNT**

(Contd.....)

	Current Year Rs.	Prev. Year Rs.
<b>OPERATING &amp; MAINTENANCE EXPENSES</b>		<b>SCHEDULE - P</b>
1) Consumption of Stores Tools & Spares	3,26,80,957	2,44,55,750
2) Consumables	1,48,26,642	1,20,16,341
3) Power Charges	13,57,21,430	11,23,58,335
4) Insurance	97,438	63,118
5) Other Operating Expenses	80,53,201	59,72,194
6) R & M of Water Supply	7,08,34,906	6,13,11,422
7) R & M of Sewerage	93,10,815	63,25,283
8) Vehicle Maintenance	1,14,07,859	1,09,72,390
<b>TOTAL</b>	<b>28,29,33,248</b>	<b>23,34,74,833</b>
<b>OFFICE EXPENSES</b>		<b>SCHEDULE - Q</b>
1) Rent	13,51,975	10,39,747
2) Rates & Taxes	12,51,674	10,78,371
3) Postage, Telegram, Telephone & Telex	49,06,011	51,19,373
4) Printing & stationery expenses	41,99,368	42,62,996
5) Exhibition & Publicity expenses	23,26,629	53,96,691
6) Training & other expenses	20,77,353	18,98,163
7) Other Office expenses	41,16,694	35,64,601
<b>TOTAL</b>	<b>2,02,29,704</b>	<b>2,23,59,942</b>
<b>ADMINISTRATIVE EXPENSES</b>		<b>SCHEDULE - R</b>
1) Board Meeting Expenses	5,051	5,526
2) Professional fees	14,44,713	21,59,776
3) Payment to auditors	15,32,293	10,17,766
a) Audit Fees	0	0
b) Audit Expenses	0	0
c) Certification fees	0	0
d) Other payments	0	0
	<b>15,32,293</b>	<b>10,17,766</b>
4) Bank Charges	1,08,955	24,296
5) Other administrative expenses	2,28,274	2,64,996
<b>TOTAL</b>	<b>33,19,286</b>	<b>34,72,360</b>

# KERALA WATER AUTHORITY

## SCHEDULES FORMING PART OF INCOME AND EXPENDITURE ACCOUNT

(Contd.....)

	Current Year Rs.	Prev. Year Rs.
		<b>SCHEDULE - S</b>
<b>ISSUE &amp; PROJECT EXPENSES WRITTEN-OFF</b>	0	0
		<b>SCHEDULE - T</b>
<b>ASSETS AND LOSSES WRITTEN-OFF</b>	0	0
		<b>SCHEDULE - U</b>
<b>PROVISION FOR DOUBTFUL DEBTS</b>	0	0
		<b>SCHEDULE - V</b>
<b>PRIOR PERIOD ADJUSTMENTS</b>		
Prior Period Adjustment - Others	(1,40,69,646)	(32,08,660)
		<b>SCHEDULE - W</b>
<b>APPROPRIATIONS TO RESERVES</b>	0	0

Finance Manager &  
Chief Accounts Officer

Accounts Member

Managing Director

Place : Thiruvananthapuram

Date : 29-05-1995

**KERALA WATER AUTHORITY**  
**NOTES ON THE ACCOUNTS FOR**  
**THE YEAR ENDED 31st MARCH 1994**

**1. BALANCE SHEET**

<b>1.01. CONTRIBUTIONS &amp; GRANTS</b>	<b>CURRENT YEAR Rs.72,269.85 LAKHS</b>
<b>(SCHEDULE - A)</b>	<b>PREVIOUS YEAR Rs.67,631.22 LAKHS</b>

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.38,828.69 lakhs (Rs.38,828.69 lakhs) (ii) all contributions and Grants (Plan) received by the Authority since its formation amounting to Rs.30392.38 lakhs (Rs.25,836.38 lakhs) (iii) all assets received by way of donations valued at fair market value amounting to Rs.10.50 lakhs (Rs.10.12 lakhs); and (iv) all other miscellaneous grants and contributions received from various sources amounting to Rs.3,038.08 lakhs (Rs.2,956.03 lakhs).

<b>1.02. SECURED LOANS</b>	<b>CURRENT YEAR Rs.11,779.24 LAKHS</b>
<b>(SCHEDULE - C)</b>	<b>PREVIOUS YEAR Rs.9,902.03 LAKHS</b>

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 and the balance of loan availed by the Authority from L.I.C. of India since its formation. (ii) and the loan availed from HUDCO. The above loans have been guaranteed by the Government and no provision has been made towards guarantee commission payable.

<b>1.03. UNSECURED LOANS</b>	<b>CURRENT YEAR Rs.26,077.96 LAKHS</b>
<b>(SCHEDULE - D)</b>	<b>PREVIOUS YEAR Rs.21,419.13 LAKHS</b>

**1.03.1** Interest has been provided on loan from Government of Kerala on simple interest rate on the amount outstanding at the beginning of the year. Penal Interest has not been provided, as the Authority has approached the Government for a moratorium in payment of interest and also for a reduction in such interest rate. The interest accrued and due to GOK as on date is Rs.10,409.82 lakhs out of which Rs.2,690.35 lakhs relates to the interest provided for the period 1993-94.

**1.03.2** As per G.O. M.S.No.44/93/LAD dt. 25-2-93 and G.O. M.S.No.46/93/LAD dt. 4-3-94 the entire amount released by the Government to Kerala Water Authority since 1985-86 by way of Grant and Loan for the Urban and Rural L C S projects will be treated as Accountable Advances from the Government of Kerala. As there was no separate release of funds from the Government for L C S Projects, an amount equal to the payment made by Kerala Water Authority for L C S Schemes have been shown separately under the head Accountable Advances deducting the same from the Loan from Government of Kerala. A similar treatment is made for the amount paid to the KUDP.

**1.03.3** All Deposit figures stated are subject to reclassification and their subsequent reconciliation by individual divisions.

**CURRENT YEAR Rs.85,954.39 LAKHS**  
**PREVIOUS YEAR Rs.79,138.98 LAKHS**

**1.04 FIXED ASSETS**  
**(SCHEDULE - E)**

- 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.42,182.80 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.

**CURRENT YEAR Rs.20,345.23 LAKHS**  
**PREVIOUS YEAR RS.18,037.54 LAKHS**

**1.05 CURRENT ASSETS**  
**(SCHEDULE - G)**

- 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.1,762.94 lakhs (Rs.1,763.11 lakhs); and (ii) water and maintenance charges amounting to Rs.9,664.36 lakhs (Rs.8,147.87 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 balances 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** : Credit Rs.841.64 lakhs  
 (Credit Rs.2.33 lakhs)

**Cash and Bank Suspense** : Debit Rs.148.58 lakhs  
 (Debit Rs.148.56 lakhs)

Representing the differences in Receipts & Payments statements for the years 1984-85 to 1993-94, carry forward errors, remittances into bank not accounted in the Cash book and Cash in transit not accounted correctly.

**1.06 CURRENT LIABILITIES**  
**(SCHEDULE - H)**

**CURRENT YEAR Rs.20,979.36 LAKHS**  
**PREVIOUS YEAR Rs.17,385.76 LAKHS**

- 1.06.1** The balance shown under statutory employee deduction of GPF and NMR PF is net of advances given to employees under respective heads.
- 1.06.2** The GPF balance have not been reconciled with the individual accounts and the same is in progress.
- 1.06.3** The interest on GPF has been accounted on actual basis up to 1992-93. The interest on GPF and NMR PF for the year has been provided @12% p.a. on the opening balance as applicable for that accounting year.



1.06.4 The balances due to NMR 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 and same is being accounted on cash basis.

1.06.6 Control Account Balances

**Credit Rs.2,966.12 lakhs (Credit Rs.2,249.41 lakhs)**

Representing the mistakes committed by divisions in the filling up of Statements of Works Register and Demand Collection Balances.

**1.07 LOANS & ADVANCES  
(SCHEDULE - I)**

**CURRENT YEAR Rs.9,596.12 LAKHS**

**PREVIOUS YEAR Rs.7,381.06 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.15,210.46 LAKHS**

**PREVIOUS YEAR Rs.11,780.55 LAKHS**

The accumulated excess of expenditure over income comprises of carry forward balance of Rs.11,780.55 lakhs and current year's excess of expenditure over income of Rs.3,429.91 lakhs.

**2. INCOME AND EXPENDITURE ACCOUNT**

**2.01. OPERATING INCOME  
(SCHEDULE - L)**

**CURRENT YEAR RS.3,890.90 LAKHS**

**PREVIOUS YEAR RS.3,066.08 LAKHS**

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

**2.02. PAYMENT AND PROVISION TO EMPLOYEES**

**CURRENT YEAR Rs.3,901.51 LAKHS**

**PREVIOUS YEAR Rs.3,340.50 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.1,148.83 LAKHS**  
**PREVIOUS YEAR Rs.1,158.74 LAKHS**

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

**2.04 PRIOR PERIOD ADJUSTMENTS**

**CURRENT YEAR Rs.(140.70) LAKHS**  
**PREVIOUS YEAR Rs.(32.09) LAKHS**

This represents the Income from local bodies of PH Division Kollam relating to the previous years 1991-92 & 1992-93.

**2.05 GENERAL**

**2.05.1** In order to absorb project overheads on capital works, a transfer of Revenue Expenditure to capital work 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.

**2.05.2** Previous year figures have been regrouped / reclassified wherever necessary.

*Finance Manager &  
 Chief Accounts Officer*

*Accounts Member*

*Managing Director*

Place : Thiruvananthapuram  
 Date : 29-05-1995

## REPLY TO THE AUDIT REPORT ON THE ACCOUNTS OF THE KERALA WATER AUTHORITY FOR THE YEAR 1993-94

1. No remarks called for
2. The Authority has taken steps to revise the water Tariffs periodically so as to run the Authority without loss in the near future. Three revisions in water tariff have also been implemented from 1-10-1991, 1-6-1993 and 1-6-1994. Besides G.O.(MS)No.45/93/LAD dated, 1-3-1993 provides for revision of water tariff by 15% every year. The free allowance given to the consumers was also withdrawn. Therefore, It is not correct to state that no scheme has been drawn out to run the Authority without any loss.  
  
The current year's deficit of Rs.34.30 crores is after providing interest of Rs.26.90 crores towards loan from Government of Kerala.
3. i. The net value of assets by erstwhile PHED taken over as on 1-4-1984 has been provisionally valued and sent for approval of the Government. There is no change in the net worth during 1993-94.  
  
The value of the assets and liabilities of two Corporations and eight Municipalities will be incorporated after evaluation of the same.  
  
ii. The correction will be carried out in the 1994-95 accounts.  
  
iii. Depreciation Reserve Rules have been framed and is approved by the Government.
- iv & v a. The consultants appointed for the updation of Fixed Assets Register upto 31-3-1992 has submitted their draft report and the same is under consideration. On final approval of their report, journal entries will be made in the accounts for rectifying the under/over statement of depreciation, work-in-progress and fixed assets, including the expenditure incurred on the construction of Indoor Stadium.  
  
vi. Division wise balances are available from 1-4-1990 onwards excluding the opening balance on that date. Steps have been taken to ascertain the balance as on 1-4-1990 and to incorporate the same in the accounts.
- vii & viii. Physical verification of inventory is being done by two stock verification Sub-Divisions and the difference if any are reported for further action. As the issue of materials are valued on FIFO basis, there will not be any difference between issue price and cost price, for issue of materials on cost recoverable basis to contractors. The difference, if any, are duly accounted in the cash book and also in the schedule F.A.11. The credit balances in the Inventory codes are mainly of previous years and the same is under scrutiny by the Consultants. Correction entries will be made in the subsequent years accounts on getting their report. The list of items accounted through MA-15 forms given by Audit requires detailed verification to ascertain whether there is duplication in the accounting of stock. The mistakes will be rectified by debiting stock accounts and crediting control accounts capital expenditure in the accounts of 1994-95. The mistakes pointed out by the Audit will be located and correction entries will be passed in the subsequent year's accounts.
- ix. The Division wise details towards the dues from Panchayats, Municipalities & Corporations as on 31-3-1993 are now available and the same duly updated will be produced for audit along with 1994-95 accounts. Steps have been taken to reconcile the dues of other consumers also.
- x. Action is in progress to reconcile the Inter Office remittance i.e., by units to Head Office on account of revenue collection. Action is also being taken to locate the differences in cash

- balance. Difference in cash/bank balances during 1993-94 is due to wrong data entry which is being verified. Necessary entries will be passed as soon as the error is located. Separate action is also being taken to locate past year's differences.
- xi. The difference in inter office and control accounts are mostly pertaining to previous year's accounts. Steps have been taken to clear the differences.
  - xii. The difference is under investigation and the same will be corrected in the subsequent years accounts.
  - xiii. The adjustment of the amount received from Railways against the fixed assets account could not be made as the details relating to the cost of land transferred is not forthcoming. Action is being taken to locate this information and necessary adjustment entries will be made.
  - xiv. Adjustment entries will be passed based on the consultant's report which is expected to be received shortly.
  - xv. The bonus provision made during 1992-93 had been correctly reversed and the mistake relates to earlier years which will be located and corrected in the subsequent accounts.
  - xvi. In order to apportion the loan component relating to World Bank Schemes, Government have asked for some details and the issue is under correspondence. Any additional interest payable on this account can be ascertained only after a decision is taken on the loan/grant apportionment.
  - xvii. The exact amount of Cess payable is not ascertainable as the same is due for several years. We have instructed all the Divisions to pay the water Cess arrears when demanded by Pollution Control Board. The payment of Cess is therefore accounted on cash basis.
  - xviii a. Details have been collected and the same will be incorporated in the subsequent year's account.
    - b. Since the liability is under dispute no provision have been made in the accounts.
  - xix. The quantitative details of water produced and sold was not furnished for want of accurate information in this regard. We are taking steps to collect the particulars and to furnish these information in the subsequent years accounts.
  - xx. The dues from local bodies as on 31-3-1993 has now been correctly worked out and the same will be updated and incorporated in 94-95 accounts.
4. The rules relating to provision for depreciation reserve is approved by the Government.
  5. There was a provision under World Bank Assistance to create a revolving fund for giving connection to Low Income House Holds. But by the time the scheme was commissioned and before implementing the revolving fund scheme World Bank Assistance came to an end. No amount was also released by the World Bank for this purpose. Hence we could not create and implement the revolving fund.
  6. The additional amount on account of revised pay scales was not included in the accounts as the same has not been correctly ascertained. Necessary adjustments will be made in the next years accounts based on the actual payment.
  7. The main reason for the arrears in the Internal Audit 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 to reduce the shortfall in the internal audit. Action is also being taken to strengthen internal audit wing by posting more staff.

Sd/-

Accounts Member

## FINANCIAL RESULTS

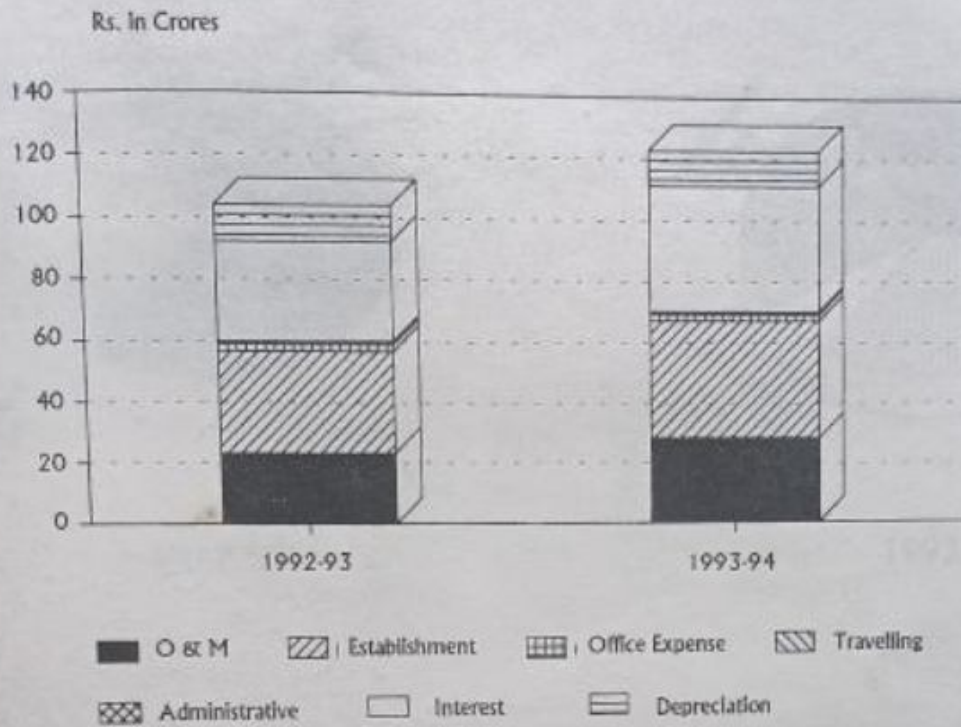
### INCOME AND EXPENDITURE

Income from operation for the year 1993-94 amounts to Rs.4,117.21 lakhs. In addition a non-plan grant of Rs.3,440.03 lakhs were received from Government of Kerala to meet the Revenue Expenditure. The Revenue expenditure after capitalising the share debit comes to Rs.11,127.85 lakhs, leaving a deficit of Rs.3,570.61 lakhs.

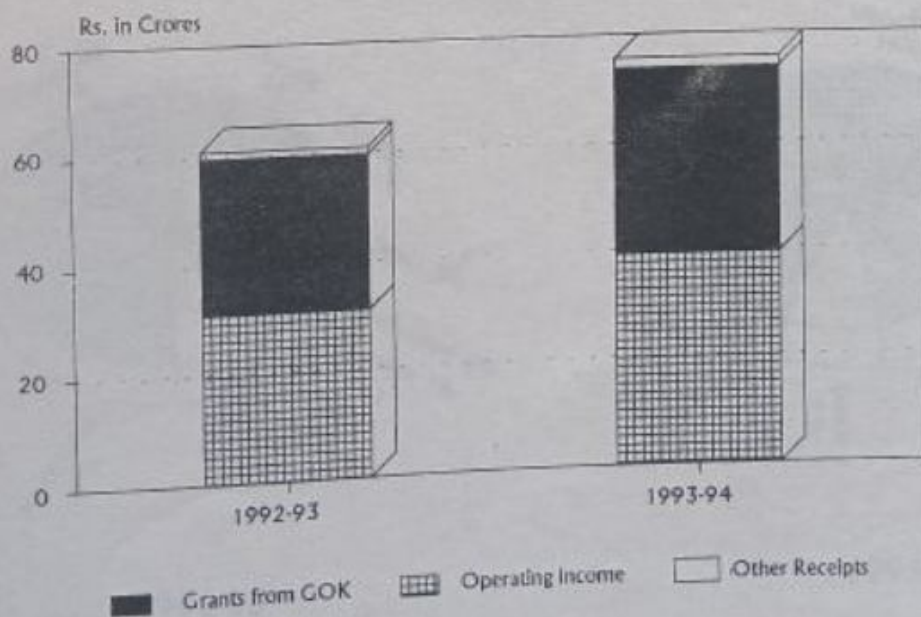
	(Rs. in lakhs)	
	1993-94	1992-93
<b>INCOME</b>		
Domestic	1,259.60	952.24
Non-domestic	1,017.84	756.64
Industrial	270.69	258.27
Local Bodies	1,342.76	1,098.86
	<b>3,890.89</b>	<b>3,066.01</b>
Government of Kerala Grant	3,440.03	2,858.13
Other Income	226.32	160.38
	<b>7,557.24</b>	<b>6,084.52</b>
<b>EXPENDITURE</b>		
Operating & Maintenance	2,829.33	2,334.75
Establishment	3,901.51	3,340.50
Office Expenses	202.30	223.60
Travelling Expenses	59.04	52.73
Administration Expenses	33.19	34.72
Interest	4,111.24	3,234.56
Depreciation	1,148.83	1,158.74
Transferred to CWIP	(1,157.59)	(1,219.40)
	<b>11,127.85</b>	<b>9,160.20</b>
Deficit	3,570.61	3,075.68

	(Rs. in lakhs)	
	1993-94	1992-93
<b>SOURCES AND APPLICATION OF FUNDS</b>		
<b>Sources of Funds</b>		
Capital	72,269.65	67,631.22
Secured Loan	11,779.24	9,902.03
Unsecured Loan	26,077.96	21,419.12
	<b>1,10,126.85</b>	<b>98,952.37</b>
<b>Application of Funds</b>		
Fixed Assets	85,954.39	79,138.98
Net Current Assets	(634.13)	651.78
Loans and Advances	9,596.12	7,381.06
Accumulated Excess of Expenditure over Income	15,210.47	11,780.55
	<b>1,10,126.85</b>	<b>98,952.37</b>
<b>CAPITAL RECEIPTS</b>		
Grant from Government of Kerala	4,556.00	4,040.25
Loan from Government of Kerala	4,572.00	3,966.32
Loan from LIC of India	1,230.50	1,000.00
Loan from HUDCO	1,034.15	1,455.00
	<b>11,392.65</b>	<b>10,461.57</b>
<b>CAPITAL EXPENDITURE</b>		
ARWSS	976.19	1,032.23
World Bank Aided Schemes	1,363.95	1,367.00
LIC Aided Schemes	1,497.83	1,546.79
HUDCO/LIC Schemes	1,782.91	1,111.27
Danida Aided Schemes	742.13	618.69
Netherland Aided Schemes	465.83	409.53
SCP/TSP Schemes	766.73	630.84
Sewerage Schemes	115.20	43.35
Drought Relief Work	208.89	952.20
Other Schemes	397.26	274.17
	<b>8,316.92</b>	<b>7,986.07</b>

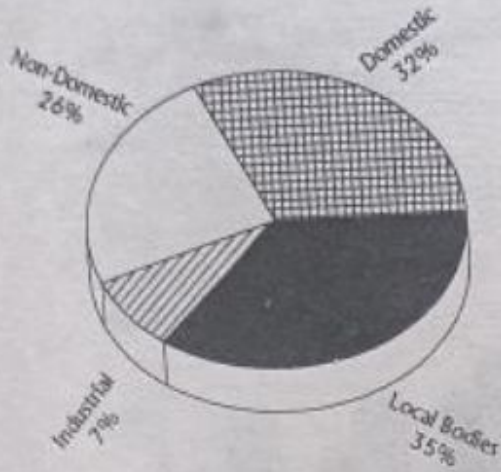
## REVENUE ACCOUNT REVENUE EXPENDITURE



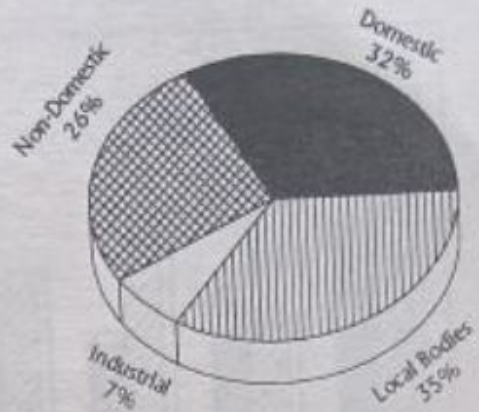
## REVENUE ACCOUNT REVENUE RECEIPT



## OPERATING INCOME WATER SUPPLY

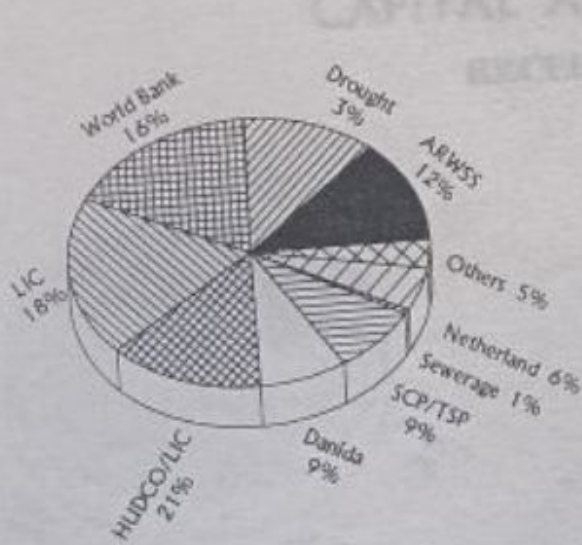


1992-93

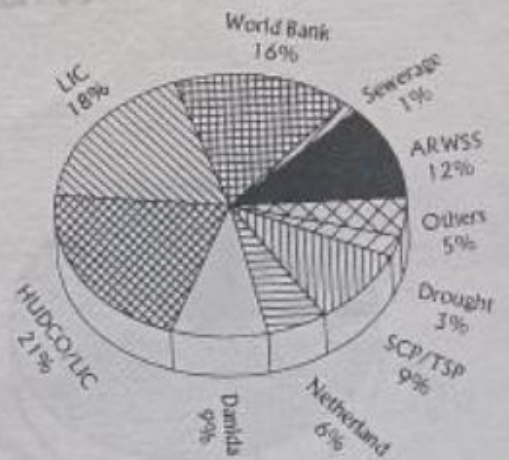


1993-94

## CAPITAL ACCOUNT EXPENDITURE



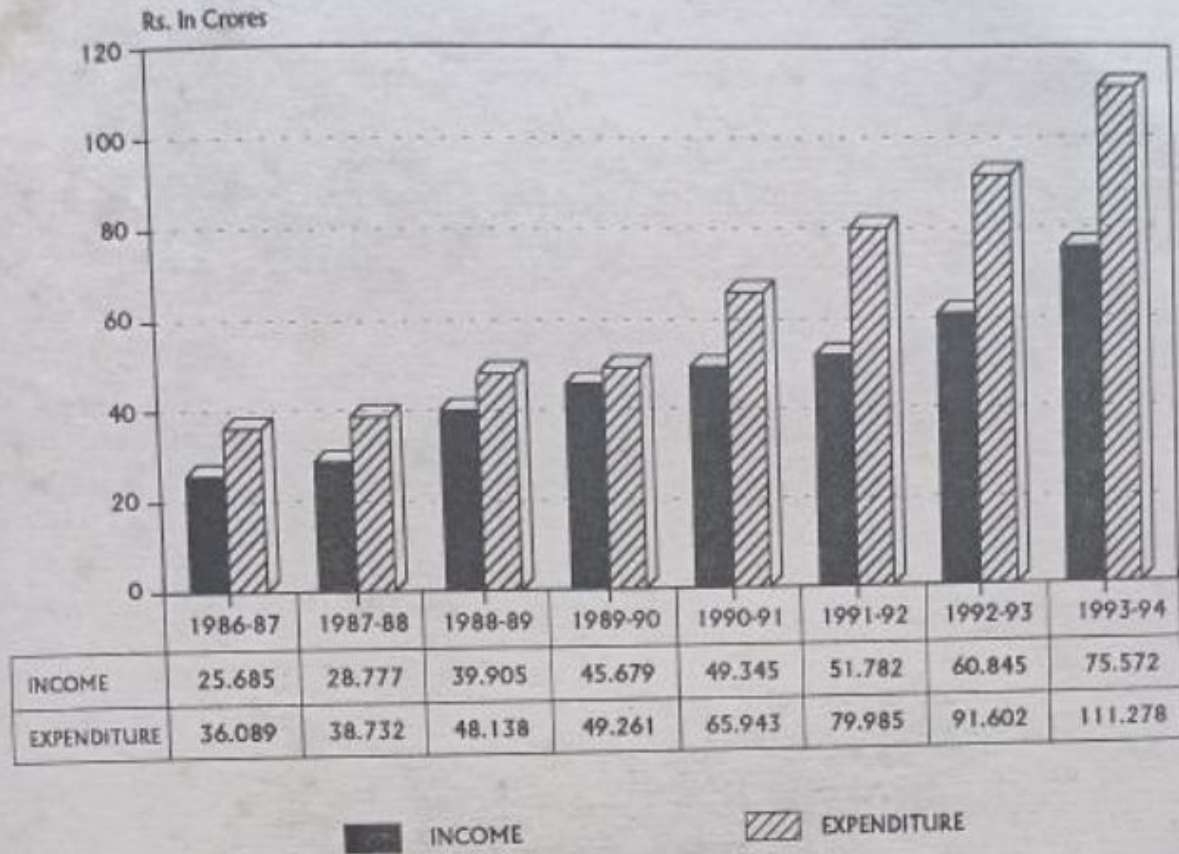
1992-93



1993-94



## INCOME & EXPENDITURE 1986-87 TO 1993-94



## CAPITAL ACCOUNT RECEIPTS

