

KERALA WATER AUTHORITY



11

ANNUAL ACCOUNTS

FOR THE YEAR

1994-95

HEAD OFFICE : WATER WORKS CAMPUS, THIRUVANANTHAPURAM - 695 033

Phone : 328654
Telex : 0435-379 KWA IN
FAX : 91-471-64903

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AUDIT CERTIFICATE

I have examined the Income and Expenditure Account for the year ended 31st March 1995 and the Balance Sheet as on 31st March 1995 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
8th October, 1996

ACCOUNTANT GENERAL

AUDIT REPORT ON THE ACCOUNTS OF KERALA WATER AUTHORITY FOR THE YEAR 1994 -95

1. INTRODUCTION

The Kerala Water & Waste Water Authority was established on 01.04.1984 by the Kerala Water & Waste Water Ordinance, 1984 (No.14) 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 to 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.

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 on account of adjustments of items adjustable by public works Department.

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 due to non completion of reconciliation of Assets and liabilities taken over.

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

- (ii) Contribution and grants from State Government Rs. 3,48,78,88,096.

This does not include Rs.7.88 lakhs received as grant for Drought Relief Works by one of the units (Public Health Division, Kollam) in the previous year credited to inter office and suspense account balance in schedule - G

APPLICATION OF FUNDS

- (iii) Fixed Assets : Rs. 6,156,962,772

Gross block

Less - depreciation reserve : Rs. 2,724,242,031

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

- (iv) Capital work in progress Rs.599,65,14,623.

(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 the such assets stands incorrectly included under Capital Works in progress resulting in understatement of Fixed assets. The depreciation on assets commissioned and brought into use since 1986-87 has not been provided and the arrears of depreciation in respect of such assets have not been disclosed.

(b) (1) 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 1994-95 amounted to Rs.2023.06 lakhs. This has not been adjusted.

(2) Addition to fixed assets during 1992-93 to 1994 -95 to be transferred from worked in progress had not been assessed and no deprecation has been provided for these assets in use.

(3) In respect of assets added/disposed during a year full depreciation has been charged instead of proportionate charges as provided under rules.

(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.

(v) Stores, Tools and Spares - Rs.55,69,68,147.

a) 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 balances has been arrived at after adjusting credit balances of Rs.12,34,662 which had not been analysed.

b) This has been understated by Rs.96,79,368 being the cost of steel and cement issued to contractors on cost recoverable basis accounted twice in 63 cases test checked. This has resulted in overstating the operating and maintenance expenses by Rs.3,17,000 and current liabilities and provisions by Rs.93,62,368.

c) 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 in the previous year not reversed. Balance under current liabilities and provisions is correspondingly overstated.

d) The stock balance is overstated by Rs.6.26 lakhs being the cost of stock issued by one of the units (P.H.Division, Thiruvalla) during previous years not accounted by Head Office.

(vi) Consumables - Rs.63,14,548

This has been arrived at after adjusting credit balances amounting to Rs.20,93,528 which should have been shown separately in liability side.

(vii) Sundry Debtors - Rs.132,24,36,424

This includes Rs.12,035.54 lakhs being dues from local bodies of which Rs.10272.77 lakhs is on account of water and maintenance charges and Rs.1762.77 lakhs towards loan repayment of Life Insurance Corporation of India, Water charges due from other consumers amounted to Rs.1146.55 lakhs.

Income by way of water and maintenance charges during 1994-95 was Rs.4386.45 lakhs and the arrears of Rs.11419.32 lakhs due from the local bodies and other consumers represented more than 2½ year's demand.

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.

(viii) Cash and Bank Balances.

Bank and Treasury Balance : Rs.45,14,77,342,

The revenue collected by the units is transferred to Head Office Accounts in the State Bank of Travancore, Kowdiar, Trivandrum. Similarly the financial settlement in respect of stores transfer between units are adjusted through bank accounts. Remittances 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 differences amounted to Rs.148.60 lakhs(debit) of which Rs.148.58 lakhs pertains to the years 1984-85 to 1993-94 and Rs.0.02 lakhs 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.148.60 lakhs referred to, difference between the balances as per head office Accounts and individual units accounts amounting to Rs.8.86 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.139.74 lakhs had not been investigated .

(ix) Other Current Assets

Inter Office and Suspense Account Balances - Rs.7,57,00,384

The balance comprises of the Debit balance of Rs.19,81,75,129 and credit balance of Rs.27,38,75,513 resulting in a net credit balance of Rs.7,57,00,384 as shown in the asset side of balance sheet. The balances should have been cleared before the closing of the accounts.

(x) Current Liabilities and provisions.

Statutory Employees deductions

General Provident Fund - Rs.17,83,49,757

The difference of Rs.60,80,729 being the difference between the individual credit card balance and account as at the end of 1993-94 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 balances 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 allowed to them.

(xi) Control Accounts Balances - Rs.29,80,86,881.

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

(xii) Loans and Advances

Advance to suppliers/contractors - Rs.73,56,98,988

This includes Rs.34,68,78,224 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.

(xiii) Payment and provision to employees - Rs.44,33,41,604

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.

(xiv) Interest on Unsecured loans - Rs.36,28,27,265

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 Government orders dated 25-2-1993

- (xv) 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

- (xvi) The authority had not incorporated in the accounts the following:
- (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.
- (xvii) The Accounts Manual framed under Regulation 65 (f) of the KWSS Act 1986 requires 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.
- (xviii) The income from panchayat 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 rates based on the orders of Government has not been adjusted in the accounts.

Thiruvananthapuram,
8th October 1996

ACCOUNTANT GENERAL

KERALA WATER AUTHORITY

EXPLANATORY NOTE ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995

The Kerala Water Authority was established by the Government of Kerala 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, 1986.

In accordance with section 16 of the Act, as from the date of establishment of the Authority, (i) all properties and assets, 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 any Local body or the 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 accounts and other books in relation to its accounts and prepare an Annual Statement of Accounts and Balance Sheet in such form and such manner as the regulations made under section 65 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 submitted for 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 submitted for the approval of the Government.

The Accrual Accounting system was made fully operational with effect from 1st April 1988. The Accounts for the year 1994-95 have been prepared generally in accordance with the accounting policies contained in the Accounting Manual. Wherever deviation have taken place, suitable disclosures have been made in the relevant paragraphs in the notes appended to accounts.

Finance Manager &
Chief Accounts Officer.

Accounts Member

Managing Director

Place : Thiruvananthapuram,
Date : 21-05-1996

KERALA WATER AUTHORITY
BALANCE SHEET AS AT MARCH 31, 1995

	Sche.Ref	Current year	Previous. Year
SOURCES OF FUNDS			
1. Kerala Water Authority Fund			
a. Contributions & Grants	A	7,680,845,663	7,226,965,066
b. Reserves & Surplus	B	0	0
2. Kerala Water Authority Loan Fund			
a. Secured Loans	C	1,456,236,967	1,177,923,816
b. Unsecured Loans	D	4,452,507,535	3,648,777,359
		13,589,590,165	12,053,666,241
TOTAL			
APPLICATION OF FUNDS			
1. Fixed Assets	E		
Gross Block		6,156,962,772	6,151,723,180
Less : Depreciation Reserve		2,724,242,031	2,612,171,546
Net Block		3,432,720,741	3,539,551,634
Capital Work In Progress		5,996,514,623	5,055,887,518
		9,429,235,364	8,595,439,152
2. Investments	F	0	0
3. Net Current Assets			
a. Current Assets	G	2,264,340,586	2,034,523,163
b. Current Liabilities	H	1,097,690,024	1,056,954,696
		1,166,650,562	977,568,467
4. Loans and Advances	I	987,074,498	959,612,267
5. Miscellaneous Expenditure not written off	J	0	0
6. Accumulated Excess of Expenditure over Income	K	2,006,629,741	1,521,046,355
		13,589,590,165	12,053,666,241
TOTAL			

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 : 21-05-1996

KERALA WATER AUTHORITY

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 1995**

	Sch.Ref.	Current Year Rs	Prev. Year Rs
INCOME			
1. Operating Income			
a. Consumers	L	438,645,096	389,089,868
b. Others	M	3,604,016	2,978,945
		442,249,112	392,068,813
2. Grants and Subventions from Govt. of Kerala		344,003,000	344,003,000
3. Interest Income	N	6,167,563	4,092,467
4. Other Non-Operative Income	O	22,259,180	15,560,004
		814,678,855	755,724,284
EXPENDITURE			
1. Operating & Maintenance Expenses	P	338,718,748	282,933,248
2. Payment & Provision to employees		443,341,604	390,150,832
3. Office expenses	Q	19,664,881	20,229,704
4. Travelling & Conveyance Expenses		4,686,837	5,903,677
5. Administrative Expenses	R	2,461,081	3,319,286
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		154,060,551	118,784,035
b) Unsecured Loans		362,827,265	292,339,781
		516,887,816	411,123,816
10. Depreciation		112,070,485	114,882,739
TOTAL EXPENDITURE		1,437,831,452	1,228,543,302
11. Transferred to Capital Work-in-Progress		137,569,211	115,758,406
		1,300,262,241	1,112,784,896
Excess of Expenditure over Income for the year		485,583,386	357,060,612
12. Prior Period Adjustment	V	0	(14,069,646)
Excess of Expenditure over Income		485,583,386	342,990,966

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 : 21-05-1996

KERALA WATER AUTHORITY
SCHEDULES FORMING PART OF BALANCE SHEET
AS AT MARCH 31, 1995

	Current Year Rs.	Previous. Year Rs.
SCHEDULE - A		
Contributions and Grants		
1 Net value of Assets taken over	3,88,28,68,875	3,88,28,68,875
2 Cont & Grants from state Govt.	3,48,78,88,096	3,03,92,38,096
3 Donated capital assets	36,52,941	10,50,343
4 Capital contribution from others	30,64,35,751	30,38,07,752
TOTAL	7,68,08,45,663	7,22,69,65,066
SCHEDULE - B		
Reserves & Surplus		
SCHEDULE - C		
Secured Loans		
1 Loan from LIC of India	1,10,72,94,492	93,56,87,816
2 Loan from HUDCO	34,89,42,475	24,22,36,000
	1,45,62,36,967	1,17,79,23,816
SCHEDULE - D		
Unsecured Loans		
1 a. Loan from Govt. of Kerala	2,66,42,58,740	2,20,29,33,740
b. Interest accrued on GOK Loan	1,37,63,10,266	1,04,09,81,716
2 Accountable advances from Govt. of Kerala		
a. For Urban L.C.S Schemes	3,65,25,750	3,65,25,750
b. For Rural L.C.S Schemes	3,94,97,200	3,71,51,200
c. For Kerala Urban Development Project	3,60,00,000	3,60,00,000
3 Loan from Industrial consumers	4,65,46,143	5,14,61,331
4 Deposit from local bodies	1,02,85,642	1,00,42,678
5 Security Deposit	4,90,98,174	5,97,84,444
6 Earnest Money Deposit	45,61,129	19,46,748
7 Water connection deposits	52,24,386	45,67,122
8 Sewer connection deposits	3,71,541	3,39,439
9 Deposit work-water supply & sewerage	9,08,20,388	7,46,38,194
10 Other deposits	64,15,760	58,12,581
11 Unclassified Deposits	8,65,92,416	8,65,92,416
TOTAL	4,45,25,07,535	3,64,87,77,359

SCHEDULE - E

**KERALA WATER AUTHORITY
SCHEDULE OF FIXED ASSETS AS AT 31-03-1995**

Account Code	Description	Gross Block		Depreciation block			Net Block		
		Balance as on 1-4-94	Additions during the year	As on 31-3-95	balance as on 1-4-94	Depreciation for the year	Dep. upto 31-3-95	As on 31-3-95	Previous year
1011	Free hold land	628046232	3512413	613558645	0	0	0	631558645	628046232
1012	Lease hold land	0	0	0	0	0	0	0	
1013/4	Land Development expenditure	70254814	0	70254814	0	0	0	70254814	70254814
102	Civil works	1206759011	0	1206759011	494532693	26609341	521142034	685616977	7122226318
103	Buildings	258908393	0	258908393	98607158	4260237	102861995	156046398	1603066635
104	Plant and Machinery	341922951	304076	342227027	237456051	8525871	245981922	96245105	1044666900
105	Main and Networks	3508039985	12250	3508052235	16866612461	68432964	1755045425	1753006810	1821427524
106	Roads, bridge and culverts	53423194	0	53423194	41727999	862890	42590883	10832311	11695201
107	Vehicles	35913222	140051	36053273	28764180	1062810	29826990	6226283	7149042
107	Furnitures, fixtures and Office furnitures	48455378	1270802	49726180	24476410	2316372	26792782	22938398	23978968
	Total	6151723180	5239592	6156962772	2612171546	112070485	2724242031	3432720741	3539551634

	This Year (Rs)	Prev. year (Rs)
Gross block of fixed assets	6156962772	6151723180
Acc. Depreciation	2724242031	2612171546
Net value of fixed assets	3432720741	3539551634
C.W.J.P A/c code 11	5996514623	5055887518
Total	9429235364	8595439152

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

	Current Year Rs.	Previous. year Rs.
SCHEDULE - F	0	0
Investments		
SCHEDULE - G		
Current Assets		
1. Inventory	55,69,68,147	54,00,57,425
a. Stores, Tools & Spares	63,14,548	65,66,550
b. Consumables	4,70,343	4,70,343
c. Others		
	56,37,53,038	54,70,94,318
2. Sundry Debtors		
a. Consumers		
i) Local bodies dues - water & maintenance charges	1,02,72,77,166	96,64,36,348
ii) Others	11,46,54,552	10,58,69,478
b. LIC Loan repayment due from Local Bodies	17,62,77,078	17,62,94,043
c. Others	42,27,628	42,29,994
	1,32,24,36,424	1,25,28,29,863
3. Cash & Bank balances		
a. Bank & Treasury balances	45,14,77,342	30,24,53,799
b. Cheques & Bills in transit	0	0
c. Cash on hand	17,78,000	13,79,274
	45,32,55,342	30,38,33,073
4. Other current assets		
a. Inter office & other suspense account balance	(7,57,00,384)	(6,93,05,557)
b. Interest accrued on short term deposit	5,96,166	71,466
	(7,51,04,218)	(6,92,34,091)
	2,26,43,40,586	2,03,45,23,163

KERALA WATER AUTHORITY

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

	Current Year Rs	Previous Year Rs.
SCHEDULE - H		
Current Liabilities & Provisions		
1. Current liabilities		
a. Sundry creditors	5,95,21,913	5,51,94,033
b. Statutory employees deductions		
i) General provident fund	17,83,49,757	15,27,43,141
ii) NMR PF	2,46,52,898	1,98,10,002
iii) Others	(5,65,671)	(10,19,519)
c. Sales-tax collections	27,23,679	12,82,000
d. Tax deducted at source	29,27,809	36,24,430
e. Other current liabilities-	50,27,11,659	50,34,01,493
f. Interest accrued but not due- LIC	2,97,99,603	2,53,15,216
g. House rent deductions	(5,18,504)	(7,821)
	79,96,03,143	76,03,42,975
2. Control account balances	29,80,86,881	29,66,11,721
	1,09,76,90,024	1,05,69,54,696
SCHEDULE - I		
Loans and Advances		
1. Loans & advances to employees	3,62,88,921	2,86,45,175
2. Advances for expenses	1,66,84,040	1,73,64,010
3. Advances to suppliers / contractors	73,56,98,988	70,34,88,531
4. Advance to Director of Municipal Admn.	3,65,25,750	3,65,25,750
5. Advance to Director of Panchayats	3,94,97,200	3,71,51,200
6. Advances to KUDP	3,60,00,000	3,60,00,000
7. Advances - Others	10,36,921	10,36,921
8. Claims recoverable	31,23,127	2,36,23,647
9. Contribution Deposit - KSEB	2,55,36,518	2,14,19,486
10. Consumer Deposit - KSEB	1,34,07,540	1,29,13,360
11. Deposit with PWD	3,65,17,594	3,45,95,044
12. Deposit with others	45,24,911	44,48,212
13. Prepaid expenses	19,440	1,87,383
14. Advances for capital expenditure	22,13,548	22,13,548
	98,70,74,498	95,96,12,267
SCHEDULE - J		
Misc Expenditure Not written off		
	0	0
SCHEDULE - K		
Accumulated Excess of Expenditure Over Income		
Balance as on last year	1,52,10,46,355	1,17,80,55,389
Add Transfer from schedule B	48,55,83,386	34,29,90,966
Current years excess of expenditure Over Income	2,00,66,29,741	1,52,10,46,355

 Finance Manager &
Chief Accounts Officer

Accounts Member

Managing Director

 Place : Thiruvananthapuram
Date : 21-05-1996

KERALA WATER AUTHORITY

**SCHEDULES FORMING PART OF INCOME AND EXPENDITURE
FOR THE YEAR 1994-95**

	Current Year Rs.	Previous year Rs.
SCHEDULE - L		
Operating Income-Consumers		
1. Operating Income - water supply		
a. Domestic consumers	15,41,48,621	12,59,59,777
b. Non-domestic Consumers	13,66,51,735	10,17,83,992
c. Industrial Consumers	3,59,91,701	2,70,69,107
	32,67,92,057	25,48,12,876
2. Operating income - Sewerage		
a. Domestic Consumers	39,743	840
b. Non-domestic Consumers	11,420	0
	51,163	840
3. Income from local bodies	11,18,01,876	13,42,76,152
	43,86,45,096	38,90,89,868
SCHEDULE - M		
Operating Income-Others		
1. Centage charges	13,35,512	12,48,580
2. Storage charges	54,518	11,620
3. Supervision charges	19,08,926	15,07,813
4. Miscellaneous recoveries	3,05,060	2,10,932
	36,04,016	29,78,945
SCHEDULE - N		
Interest Income		
1. Interest on loans & advances	2,92,301	1,82,037
2. Interest on deposits	58,75,262	39,10,430
	61,67,563	40,92,467
SCHEDULE - O		
Other Non-Operating Income		
1. Income as recoveries	1,02,74,548	85,55,126
2. Claims recoverable	3,50,899	25,001
3. Miscellaneous Income	1,16,33,733	69,79,877
	2,22,59,180	1,55,60,004
SCHEDULE - P		
Operating and Maintenance Expenses		
1. Consumption of stores, Tools & Spares	2,59,25,571	3,26,80,957
2. Consumables	1,88,25,640	1,48,26,642
3. Power charges	17,29,23,335	13,57,21,430
4. Insurance	1,27,579	97,438
5. Other operating expenses	92,70,740	80,53,201
6. R & M of water supply	9,05,25,870	7,08,34,906
✓ 7. R & M sewerage	90,17,165	93,10,815
8. Vehicle maintenance	1,21,02,848	1,14,07,859
	33,87,18,748	28,29,33,248

KERALA WATER AUTHORITY
SCHEDULES FORMING PART OF INCOME AND EXPENDITURE
(Contd.....)

	Current Year	Previous Year
SCHEDULE - Q		
Office Expenses		
1. Rent	7,07,161	13,51,975
2. Rates & Taxes	10,79,309	12,51,674
3. Postage, Telegram, Telephone and Telex	47,10,384	49,06,011
4. Printing & Stationary	42,24,617	41,99,368
5. Exhibition & Publicity	29,41,658	23,26,629
6. Training and other expenses	9,96,538	20,77,353
7. Other office expenses	50,05,214	41,16,694
	1,96,64,881	2,02,29,704
SCHEDULE- R		
Administrative Expenses		
1. Board meeting expenses	13,843	5,051
2. Professional fees	6,36,955	14,44,713
3. Payment to auditors		
a. Audit Fees	15,24,308	15,32,293
b. Audit expenses	0	0
c. Certification fees	0	0
d. Other payments	0	0
	15,24,308	15,32,293
4. Bank Charges	52,235	1,08,955
5. Other administrative expenses	2,33,740	2,28,274
	24,61,081	33,19,286
SCHEDULE - S		
Issues & Project Expenses Written Off	0	0
SCHEDULE - T		
Assets & Losses Written Off	0	0
SCHEDULE - U		
Provision for Doubtful Debts	0	0
SCHEDULE - V		
Prior Period Adjustments		
Prior Period Adjustments - Others		(1,40,69,646)
SCHEDULE - W		
Appropriations to Reserves	0	0

Finance Manager &
Chief Accounts Officer

Accounts Member

Managing Director

Place : Thiruvananthapuram
Date : 21-05-1996

KERALA WATER AUTHORITY
NOTES ON THE ACCOUNTS FOR THE YEAR ENDED
31st MARCH 1995

1. BALANCE SHEET

1.01 Contributions & Grants Current Year Rs. 76,808.46 Lakhs

(SCHEDULE - A) PREVIOUS YEAR Rs. 72,269.65 LAKHS

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.34,878.88 lakhs (Rs.30,392.38 lakhs) (iii) all assets received by way of donations valued at fair market value amounting to Rs.36.53 lakhs (Rs.10.50 lakhs) : and (iv) all other miscellaneous grants and contributions received from various sources amounting to Rs. 3,064.36 lakhs (Rs.3,088.08 lakhs).

1.02 Secured Loans Current Year Rs. 14,562.37 Lakhs

(SCHEDULE - C) PREVIOUS YEAR Rs.11,779.24 LAKHS

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.

1.03 Unsecured Loans Current Year Rs. 44,525.08 Lakhs

(SCHEDULE - D) PREVIOUS YEAR Rs.36,487.77 LAKHS

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. 13,763.10 lakhs out of which Rs.3,353.29 lakhs relates to the interest provided for the period 1994-95

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 Govt. to Kerala Water Authority since 1985-86 by way of Grant and loan for the Urban and Rural LCS projects will be treated as Accountable Advances from the Govt. of Kerala. As there was no separate release of funds from the Govt. for LCS project, an amount equal to the payment made by Kerala Water Authority for LCS Schemes have been shown separately under the head Accountable Advances deducting the same from the 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.

1.04 Fixed Assets current year Rs. 94,292.35 Lakhs

(SCHEDULE - E) PREVIOUS YEAR Rs.85,954.39 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.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.

1.05 Current Assets Current Year Rs. 22,643.41 Lakhs

(SCHEDULE - G) PREVIOUS YEAR Rs.20,345.23 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.1,762.77 lakhs (Rs.1,762.94 lakhs) : and (ii) water and maintenance charges amounting to Rs. 10,272.77 lakhs for which confirmation of balances have not been obtained.

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

1.05.4 The reconciliation of bank balances with the bank statements are 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	:	<u>Credit Rs.905.60 lakhs</u> (Credit Rs.841.64 lakhs)
Cash and Bank Suspense	:	<u>Debit Rs.148.60 lakhs</u> (Debit Rs.148.58 lakhs)

Representing the differences in Receipts & Payments statements for the years 1984-85 to 1994-95, Carry forward errors, remittances into bank not accounted in the Cash book in transit not accounted correctly.

1.06 Current Liabilities Current Year Rs. 10976.90 Lakhs

(SCHEDULE - H) PREVIOUS YEAR RS.10,569.55 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 G.P.F has been accounted on actual basis up to 1992-93. The interest on G.P.F and N.M.R 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 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 and same is being accounted on cash basis.

1.06.6 Control Account Balances

Credit 2,980.87 lakhs (Credit Rs.2,966.12 lakhs)

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

1.07 Loans & Advances Current Year Rs.9,870.74 lakhs

(SCHEDULE - I) PREVIOUS YEAR Rs.9,596.12 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. 20,066.30 PREVIOUS YEAR Rs. 15,210.46 LAKHS

The accumulated excess of expenditure over income comprises of carry forward balance of Rs.15,210.46 lakhs and current year's excess of expenditure over income of Rs.4,855.83 lakhs.

2. INCOME AND EXPENDITURE ACCOUNT

2.01. Operating Income Current Year Rs.4,422.49 Lakhs

(SCHEDULE - L) PREVIOUS YEAR Rs. 3,920.69 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.4,433.42 LAKHS

PREVIOUS YEAR Rs.3,901.51 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. No provision has been made for the salary payable on account of pay revision order No.G.O(P) No.66/95/ LAD Dt. 24-04-95

2.03 Depreciation**CURRENT YEAR Rs.1,120.70 LAKHS****PREVIOUS YEAR Rs. 1,148.83 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.(000.00) LAKHS.****PREVIOUS YEAR Rs. (140.70) LAKHS****2.05 General**

- 2.05.1 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.
- 2.05.2 Previous year figures have been regrouped/ reclassified wherever necessary.

**Finance Manager &
Chief Accounts Officer**

Accounts Member

Managing Director

Place : Thruvananthapuram

Date : 21-05-1996

KERALA WATER AUTHORITY

REPLY TO THE AUDIT REPORT ON THE ACCOUNTS OF THE KERALA WATER AUTHORITY FOR THE YEAR 1994-95

I No remarks called for.

II. In order to increase revenue income, the Authority had revised water tariff with effect from 01/10/1991, 01/06/1993 and 01/06/1994. The free allowance given to the consumers was also withdrawn. The authority is periodically reviewing the position and has now recommended Government a substantial increase in water tariff. The expenditure is also on constant review in all the authority meetings. Therefore it is not correct to state that no schemes has been drawn out to run the Authority without any loss.

The current years deficit of Rs. 48.56 Crores is after providing Rs.33.53 Crores towards interest on loan from Government of Kerala.

III (i) The net value of assets of the erstwhile PHED taken over as on 01/04/1984 had been provisionally valued and sent for approval of the Government. There is no change in the net worth during the year 1994-95.

The reconciliation of the statement of the assets and liabilities of Kerala State Rural Development Board taken over by the authority could not be completed as the Board did not provide the required information even after persistent efforts. We propose to make necessary entries with our figures in the accounts for the year 1995-96.

The two corporations and eight municipalities have been asked to submit the details of distribution system and other assets/ liabilities handed over by them to the Authority in March 1991. The details can be incorporated in the accounts of the Authority only after finalising the statement of assets and liabilities.

(ii) The correction will be carried out in the 1995-96 accounts.

(iii), (iv)a, (iv)b(1), (iv)c.

The consultants appointed for the updation of the fixed asset register up to 31/03/1992 had submitted their final report and the same is under consideration. On final approval of the report by the authority, necessary 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.

(iv)b (2) Steps are being taken for assessing the amount to be transferred from work in progress to fixed assets from 1992-93 to 1994-95

(iv)b (3) We were charging depreciation for a full year on assets added/disposed since 1984 based on the fixed assets evaluation report. Depreciation Reserve and Utilisation Rule 1992 was approved by the Government subsequently. However, the same procedure of charging depreciation continued for the subsequent years also. We propose to take steps to amend the depreciation rules suitably.

(v)a 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. 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.

- (v)b All the Items have been analysed and wherever necessary rectification entries have been passed. The same will be incorporated in the 1995-96 accounts.
- (v)c Necessary entry has been passed to rectify the over statement. This will be incorporated in the 1995-96 accounts.
- (v)d The forms submitted by the division was incomplete. The division has been instructed to furnish the full details. Necessary entries will be incorporated in the 1995-96 accounts.
- (vi) 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.
- (vii) Division wise details towards the dues from Panchayats, Municipalities and corporation as on 31/03/1993 are now available and the same is being updated. Steps have been taken to reconcile the dues of other consumers also
- (viii) We have already taken steps to reconcile the inter office remittances. We have located and rectified most of the cash and bank balance difference pointed out in the audit report for the year 1993-94. Action is being taken to locate the difference of Rs.8.86 lakhs as well as the difference of Rs.139.74 lakhs in the suspense accounts.
- (ix) The difference in inter office and control accounts are mostly pertaining to previous years. Steps will be taken to locate the differences.
- (x) The credit cards till the year 1994-95 had been issued. The individual balance of NMR PF is under scrutiny. Necessary entries will be passed in the next years accounts.
Action is being taken to account the amount received from the Director of Municipal Administration to the respective personal ledger accounts.
- (xi) 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 find out the details.
- (xii) Adjustment entries will be passed based on the consultant's report which is expected to be received shortly.
- (xiii) Necessary entries have been passed and the same will be incorporated in the accounts for the year 1995-96.
- (xiv) The issue is pending with the Government. Any additional interest payable on this account can be ascertained only after a decision is taken on the loan/grant apportionment.
- (xv) There is dispute about the exact amount of cess payable. This has been taken up with the Government/Pollution Control Board. We have instructed all the divisions to pay the water cess due after 1984-85 when demanded by the Pollution Control Board
- (xvi)a Details have been collected and the same will be incorporated in the subsequent years accounts.
- (xvi)b An amount of Rs.15.38 Lakhs has been adjusted against the water charge dues of Thiruvananthapuram Corporation and this has been incorporated in the accounts.
- (xvii) 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 furnish these information in the subsequent years accounts.
- (xviii) The dues of local bodies as on 31/03/1993 has now been correctly worked out and the same will be incorporated in the 1995-96 accounts.

FINANCIAL RESULTS

INCOME AND EXPENDITURE

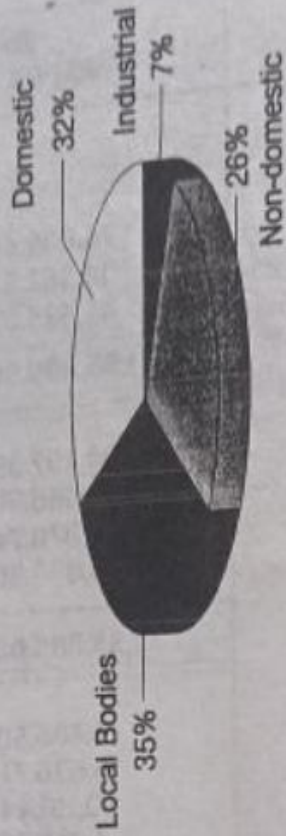
Income from operations for the year 1994-95 amounts to Rs.4706.76 Lakhs. In addition a non-plan grant of Rs.3,440.03 Lakhs was received from Government of Kerala to meet the revenue expenditure. The revenue expenditure after capitalising the share debit comes to Rs.13,002.62 Lakhs, leaving a deficit of Rs 4,855.83 Lakhs.

	(Rs in Lakhs)	
	1994-95	1993-94
INCOME		
Domestic	1541.89	1259.60
Non-Domestic	1366.63	1017.84
Industrial	359.92	270.69
Local Bodies	1118.02	1342.76
Other Income	320.30	226.32
	4706.76	4117.21
Government of Kerala - Grant	3440.03	3440.03
	8146.79	7557.24
EXPENDITURE		
Operation & Maintenance	3387.19	2829.33
Establishment	4433.41	3901.51
Office Expenses	196.65	202.30
Travelling	46.87	59.04
Administrative Expenses	24.61	33.19
Interest	5168.88	4111.24
Depreciation	1120.70	1148.83
	14378.31	12285.44
Less : Transferred to CWIP	1375.69	1157.59
	13002.62	11127.85
Deficit	4855.83	3570.61

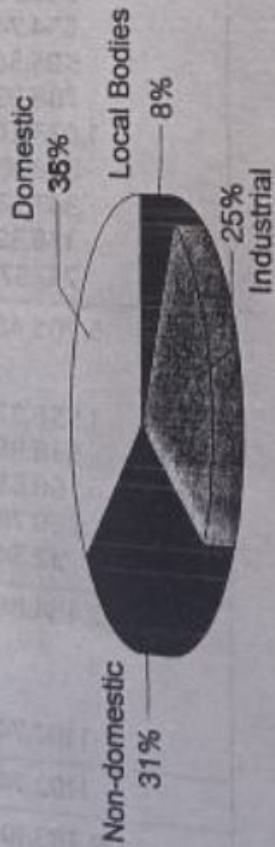
	(Rs in Lakhs)	
	1994-95	1993-94
SOURCES & APPLICATION OF FUNDS		
SOURCES OF FUNDS		
Capital	76,808.46	72,269.65
Secured loan	14,562.37	11,779.24
Unsecured loan	44,525.07	36,487.77
	1,35,895.90	1,20,536.66
APPLICATION OF FUNDS		
Fixed Assets	94,292.35	85,954.39
Net Current Assets	11,666.51	9,775.69
Loans & Advances	9,870.74	9,596.12
Accumulated excess of expenditure over Income	20,066.30	15,210.46
	1,35,895.90	1,20,536.66
CAPITAL RECEIPTS		
Grant from GOK	4,486.50	4,556.00
Loan from GOK	4,636.71	4,572.00
Loan from LIC of India	2,151.44	1,230.50
Loan from HUDCO	1,449.00	1,034.15
Others	52.31	
	12,775.96	11,392.65
CAPITAL EXPENDITURE		
STATE PLAN SCHEMES		
UWSS - LIC	718.03	778.71
UWSS - others	61.50	39.06
RWSS - LIC	502.71	126.29
RWSS - WB	654.74	1,363.95
RWSS - Danida	505.30	742.13
RWSS - Nether lands	788.93	465.83
RWSS - SCP	1,033.50	616.91
RWSS - TSP	208.97	149.83
RWSS - others	347.92	183.28
Urban Sewerage Schemes	136.32	115.21
Other Schemes	747.57	97.41
	5,705.48	4,678.60
OUT SIDE STATE PLAN SCHEMES		
UWSS - LIC/HUDCO	1,556.92	1,782.91
RWSS - LIC	538.99	592.83
Westernghat Development	66.65	51.90
Drought Relief	289.78	208.89
Others	32.54	25.61
	2,484.88	2,662.13
CENTRALLY SPONSORED SCHEMES		
AUWSS	1192.74	976.19
ARWSS		
	1192.74	976.19
	9,383.10	8,316.92

OPERATING INCOME

Water Supply



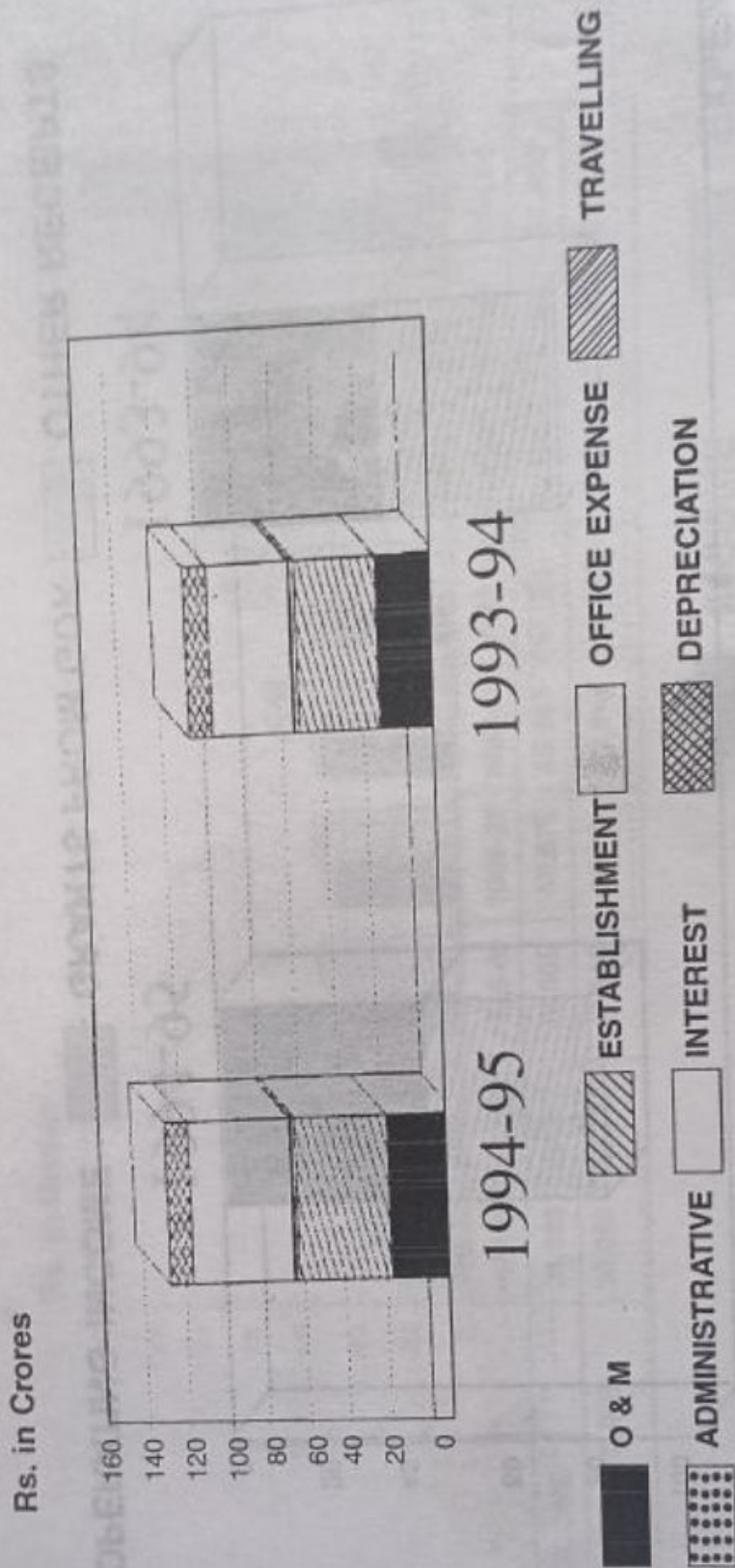
1993-94



1994-95

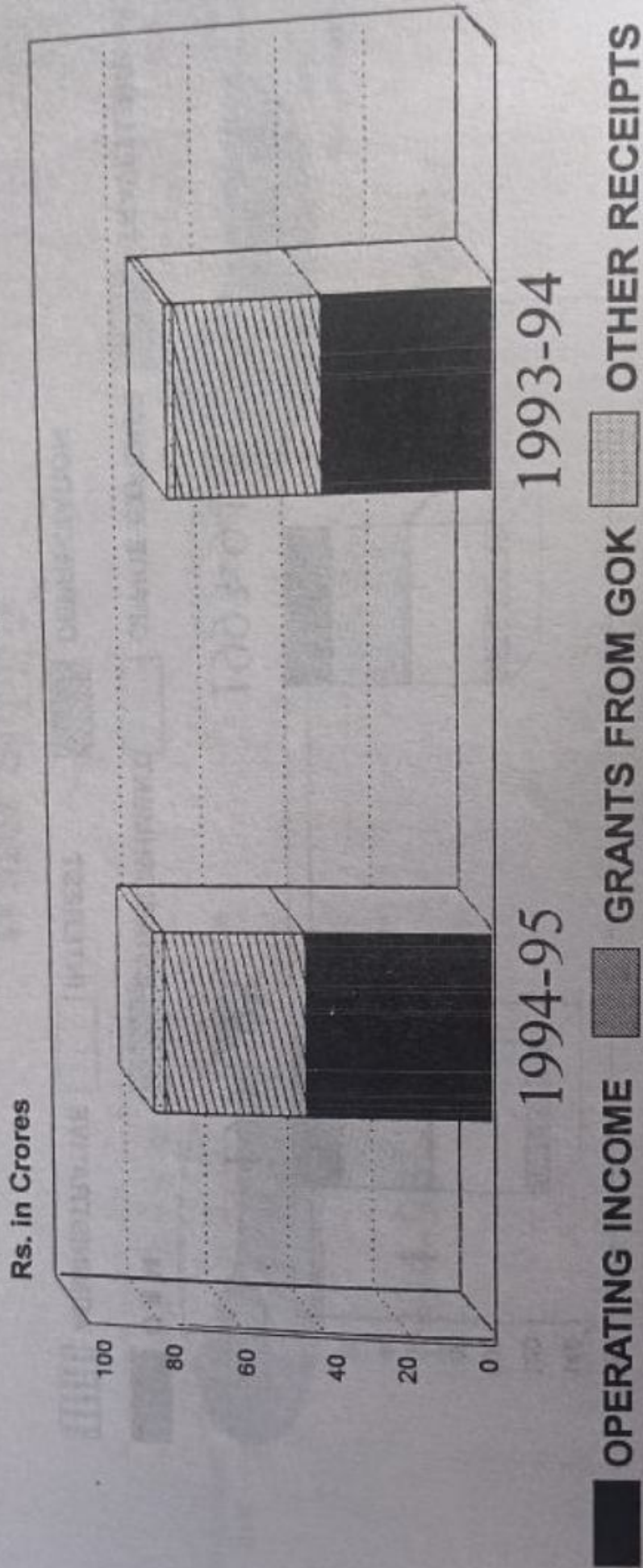
REVENUE ACCOUNT

Revenue Expenditure



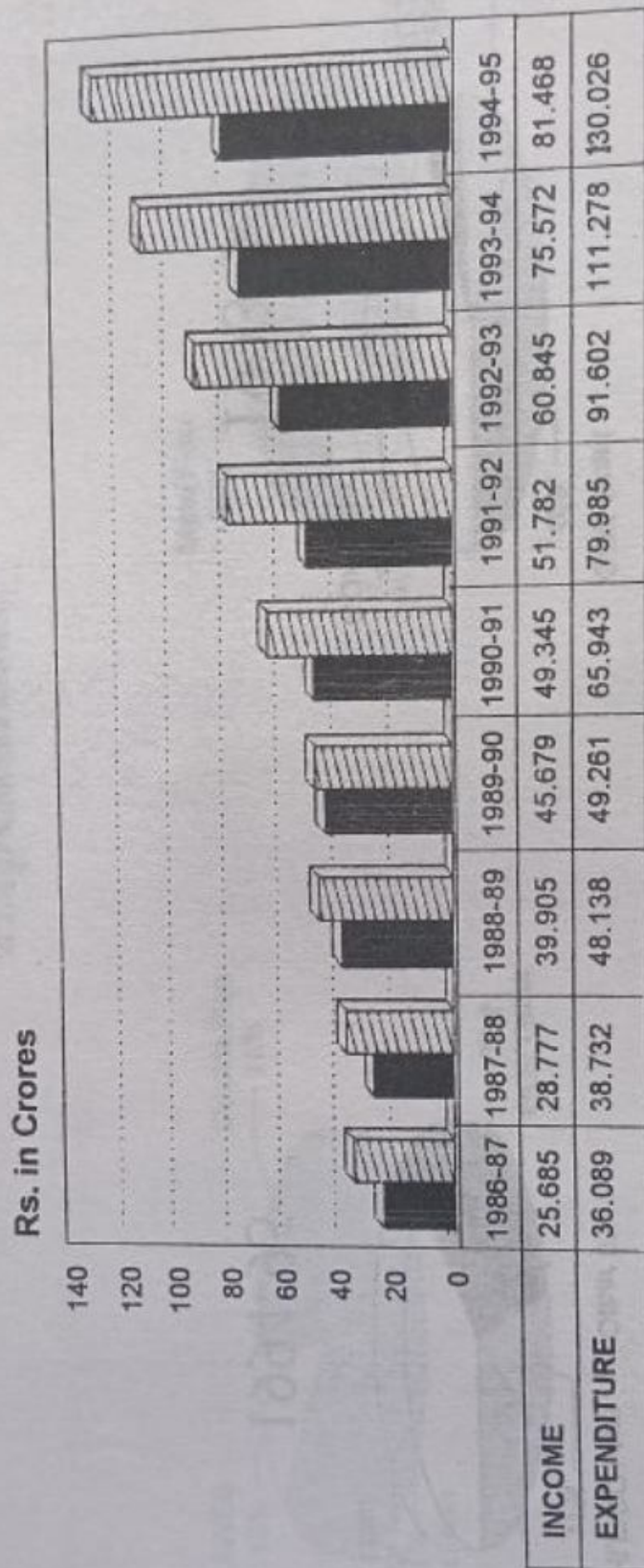
REVENUE ACCOUNT

Revenue Receipts

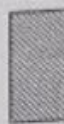


INCOME & EXPENDITURE

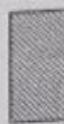
1986-87 To 1994-95



INCOME

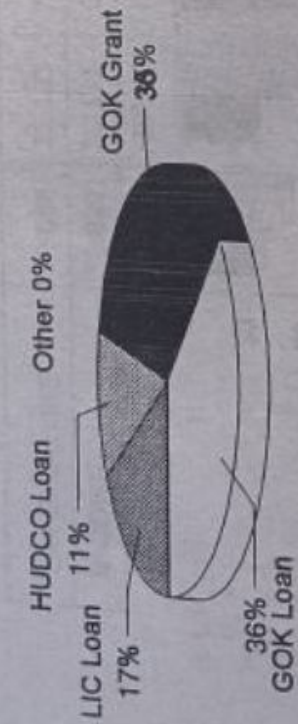


EXPENDITURE

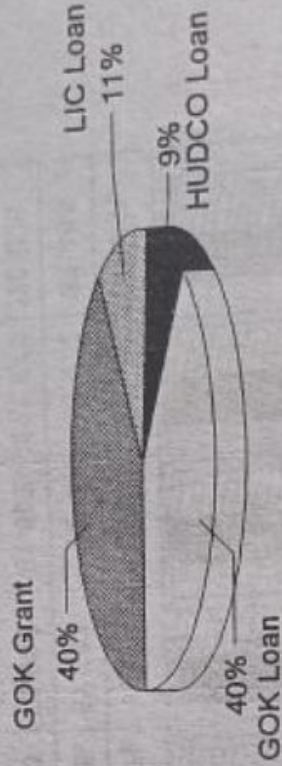


CAPITAL ACCOUNTS

Receipts



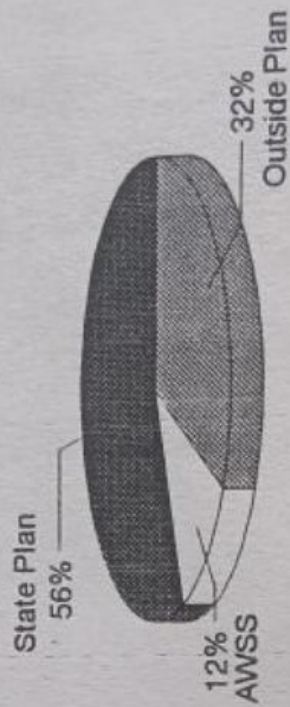
1994-95



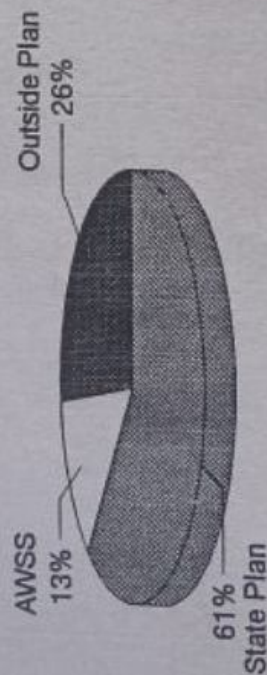
1993-94

CAPITAL ACCOUNTS

Expenditure



1993-94



1994-95