

KERALA WATER AUTHORITY



12

ANNUAL ACCOUNTS FOR THE YEAR 1995 - 96

HEAD OFFICE JALA BHAVAN, THIRUVANANTHAPURAM - 695 033

KERALA WATER AUTHORITY

ANNUAL ACCOUNTS

FOR THE YEAR

1995 - 96

HEAD OFFICE : JALA BHAVAN, THIRUVANANTHAPURAM - 695 033

ANNUAL ACCOUNTS FOR THE YEAR 1995-96
REPORT OF THE AUDITOR

AUDIT CERTIFICATE

I have examined the Income and Expenditure Account for the year ended 31st March 1996 and the Balance sheet as on 31st March 1996 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 and 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
Dated: 12th August 1997*

ACCOUNTANT GENERAL

KERALA WATER AUTHORITY

ANNUAL ACCOUNTS FOR THE YEAR 1995-96

REPORT OF THE AUTHORITY

The Authority has the pleasure of presenting the certified accounts for the year 1995-96 and Audit Report thereon.

The performance of the Authority during the year 1995-96, in the execution of Drinking Water Supply Scheme has exceeded the targets set at the commencement of the year. The authority has completed 426 schemes including extensions of existing schemes against a target of 329 schemes. This has benefited an additional population of 12 lakhs person. This includes 1.40 lakhs persons belonging to Scheduled Castes and 0.10 lakhs persons belonging to Scheduled tribes. The Authority has succeeded in bringing drinking water supply to 404 new villages. With this the percentage of population covered with Drinking Water Supply schemes of the Authority has reached 46.41% in rural areas and 70.54% in urban areas. The intensive programme to complete schemes started during seventh plan and earlier has contributed to this increase although legal hurdles in purchase of pipes and the ban on new power connection due to acute scarcity in Electricity Generation led to delay in completion of 40 out of 83 such schemes.

The financial performance of the Authority continues to cause concern during this year also. The losses have gone up from Rs.48.56 crores during the year 1994-95 to Rs.84.26 crores during the year 1995-96. The increase is caused primarily by an additional commitment of Rs. 20 crores due to retrospective revision of salaries and provision of Rs.41.67 crores for interest on Government loans for Water Supply Schemes. The anticipated tariff revision did not also materialise during the year. However, the Authority has again performed creditably in revenue collection. The total collection has gone up from Rs. 41.33 crores in 1994-95 to Rs. 49.25 crores during 1995-96. This year we have achieved a collection higher than the demand for the year making a dent into the arrears. During the next few years the Authority hopes to achieve financial self sufficiency through a series of measures to improve billing and collection and reduction of expenditure.

During the year, the Authority had also approached OECF of Japan for assistance to 3 rural water supply schemes and 3 urban water supply schemes and formal clearance from Government of India and OECF are expected.

The partial computerisation of billing and collection in Trivandrum has proved to be successful. This is a humble step in improving the consumer services in the city. We hope to expand the system to remaining areas of Trivandrum and Kochi during the year 1996-97. The Authority will also be concentrating on improved measures to serve the consumers who are the purpose of our existence.

The Authority places on record its appreciation to the assistance and support extended by the Government Authorities, local bodies, Banks and Financial Institutions, Contractors, Suppliers etc, during the year 1995-96. The Authority also expresses its appreciation for the dedicated and sincere services of the management and staff.

For and on behalf of the Authority

sd/-

Chairman

Kerala Water Authority

AUDIT REPORT ON THE ACCOUNTS OF KERALA WATER AUTHORITY FOR THE YEAR 1995-96

1. INTRODUCTION

The Kerala Water and Waste Water Authority was established on 01-04-1984 by the Kerala Water and 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 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. COMMENTS ON ACCOUNTS:

Balance Sheet

Source of funds

Contribution and Grant - Schedule A.

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

- (1) 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 upto 1992-93 on account of adjustments of items adjustable by PWD.

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 the 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.

APPLICATION OF FUNDS

(ii)	Fixed Assets	6,16,65,98,076.00
	Gross Block	
	Less - Depreciation	
	Reserve	2,83,34,12,519.00

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

- (a) (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 1995-96 amounted to Rs. 2432.14 lakhs. This has not been adjusted.
- (2) Addition to fixed assets to be effected by transfer from work in progress pertaining to the year 1992-93 to 1995-96 had not been assessed and no depreciation has been provided for these assets put to use.
- (3) In respect of assets added / disposed during a year full depreciation has been charged instead of proportionate charges as provided under rules.

(iii) CAPITAL WORK IN PROGRESS Rs. 7,01,21,53,580.00

- (A) The cost of civil works Buildings, Mains and net Works, Road Bridges and culverts commissioned and put to use 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 resulting in under statement of fixed assets.
- (B) This included 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 after completion on 17-11-1989. Though the necessity for accounts adjustments to exclude the cost from work in progress after adjusting the assistance of Rs. 90 lakhs received from Govt. was pointed out in previous reports no adjustment was effected.

(iv) STORES, TOOLS AND SPARES : Rs. 72,48,34,194.00

The balance has not been reconciled with the balances with 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. 356933. The reason for the credit balance has not been investigated.

(v) CONSUMABLES : Rs. 63,39,402

This has been arrived at after adjusting credit balances amounting to Rs. 3629110 as detailed below:

Stock of fuel	18,85,665
Stock of consumables	17,43,445
Total	36,29,110

This should have been shown separately in the liability side. However, reason for these credit balances has not been investigated.

(vi) Others : Rs. 4,70,343

The exact nature of the current assets cited as 'others' was not disclosed.

(vii) SUNDRY DEBTORS : Rs. 1,34,49,75,122

This includes Rs. 12120.05 lakhs being dues from local bodies of which Rs. 10358.61 lakhs is on account of water and maintenance charges and Rs. 1761.44 lakhs towards loan repayment of Life Insurance Corporation of India. Water charges due from other consumers amounted to Rs. 1287.42 lakhs. Acceptance of the closing balances by the sundry debtors was not seen obtained.

Income by way of water and maintenance charges during 1995-96 was Rs.4836.24 lakhs and the arrears of Rs. 11646.04 lakhs due from the local bodies and other consumers was more than double the yearly income. The dues from Panchayats, Municipalities, and Corporations have not been reconciled with 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 BALANCES : Rs. 42,18,52,769

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 accounts 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 worked out to Rs. 132.37 lakhs (debit) which stands included under "Other Current Assets- Inter Office and suspense Account balances".

In addition to the difference of Rs. 132.37 lakhs referred to difference between the balances as per Head Office Accounts and Individual units accounts amounting to Rs. 0.49 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. 132.86 lakhs has not been investigated.

(ix) OTHER CURRENT ASSETS
INTER OFFICE AND SUSPENSE ACCOUNTS BALANCES- Rs. 6,70,51,506

The amount comprises of the debit balance of Rs. 207519018 and credit balance of Rs. 274570524/- resulting in a net credit balance of Rs. 67051506/- as shown in the assets side of the balance sheet. The balance under this head should have been cleared before the closing of the annual accounts.

(X) CURRENT LIABILITIES AND PROVISIONS.
STATUTORY EMPLOYEES DEDUCTIONS

(a) GENERAL PROVIDENT FUND : Rs. 26,66,31,081

The difference between the total of the balances as per individual credit cards and the General Provident Fund balance as per the annual accounts of 1994-95 amounting to Rs. 1532193/- has not been reconciled.

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 Municipal Administration had not been accounted in the respective personal Ledger Accounts since PF Accounts numbers were not allowed to them.

(b) OTHER CURRENT LIABILITIES Rs. 50,37,32,161

A major portion under this head represented the net debit balance under "items adjustable by PWD" amounting to Rs. 4837.78 lakhs relating to the period 1975-76 to 1983-84, prior to the formation of the Authority.

In the audit reports of the accounts of the Authority for 1988-89 and 1989-90 it was mentioned that the Authority was in the process of identification of schemes/ works for which the materials were procured by debit to "I A PWD" and whether any adjustment had already been carried out in the Divisional accounts and that any adjustment effected by Headquarters without ascertaining such details did not reveal the correct position. The position continued to remain as such in the accounts for 1995-96 also with the result that the net value of current assets taken over shown under "Contribution and Grants" on the liability side of the Balance Sheet is decreased with corresponding increase in the current liabilities.

(xi) CONTROL ACCOUNTS BALANCES : Rs. 30,05,96,278

This includes Rs. 4461353 received from Railways towards the consideration for the land and Building 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. 79,97,44,589

This includes Rs. 373098757/- representing final payments made to contractors (debit balance) in respect of Capital /Revenue work 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 31/03/1992. 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) INTEREST PAID ON SECURED/UNSECURED LOAN - Rs. 63,91,67,853

(a) Interest paid on borrowed funds earmarked for acquisition/ creation of assets upto the time of commissioning of the assets has not been segregated and capitalised as provided for the Accounts Manual.

(b) 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 G.O.MS.NO. 44/93/LAD dt. 25/02/1993 resulting in understatement of interest liability.

(XIV) 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.

DATE FROM	CURRENT YEAR	GENERAL	SOURCES OF FUNDS
15.07.88	01.08.93		
		(XV) The Authority had not incorporated in the accounts the capital assets and spares donated by UNICEF/DANIDA from 1988-89 onwards.	
		(XVI) 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 years.	
			ACCOUNTANT GENERAL

Thiruvananthapuram,
Dt. 12th August 1997.

KERALA WATER AUTHORITY
BALANCE SHEET AS AT MARCH 31, 1996

SOURCES OF FUNDS	SCH REF	CURRENT YEAR	PREV YEAR
1. Kerala Water Authority Fund	A	8,54,60,05,830	7,68,08,45,663
a. Contributions & Grants	B	0	0
b. Reserves & Surplus			
2. Kerala Water Authority Loan Fund	C	1,67,66,89,955	1,45,62,36,967
a. Secured Loans	D	5,34,17,90,335	4,45,25,07,535
b. Unsecured Loans			
TOTAL		15,56,44,86,120	13,58,95,90,165
APPLICATION OF FUNDS			
1. Fixed Assets	E	6,16,65,98,076	6,15,69,62,772
Gross Block		2,83,34,12,519	2,72,42,42,031
Less : Depreciation Reserve			
Net Block		3,33,31,85,557	3,432,720,741
Capital Work in progress		7,01,21,53,580	5,996,514,623
2. Investments	F	10,34,53,39,137	9,42,92,35,364
		0	0
3. Net Current Assets	G	2,43,38,58,848	2,26,43,40,586
a. Current Assets	H	1,23,00,16,811	1,09,76,90,024
b. Current Liabilities			
		1,20,38,42,037	1,16,66,50,562
4. Loans and Advances	I	1,16,60,55,789	98,70,74,498
5. Miscellaneous Expenditure not Written-off	J	0	0
6. Accumulated Excess of Expenditure over Income	K	2,84,92,49,157	2,00,66,29,741
TOTAL		15,56,44,86,120	13,58,95,90,165

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

Sd/-
Finance Manager and
Chief Accounts Officer

Sd/-
Accounts Member

Sd/-
Managing Director

Place : Thiruvananthapuram
Date : 31/01/1997.

KERALA WATER AUTHORITY
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 1996

		SCH REF	CURRENT YEAR	PREV. YEAR
INCOME				
			Rs.	Rs.
1. Operating Income				
a. Consumers		L	48,36,23,801	43,86,45,098
b. Others		M	40,38,171	36,04,018
2. Grants and Subventions from Govt. of Kerala			48,76,81,772	44,22,49,112
3. Interest Income		N	34,40,00,000	34,40,03,000
4. Other Non-Operative Income		O	1,03,65,847	61,67,563
			2,85,74,805	2,22,59,180
			86,86,02,224	81,46,78,855
EXPENDITURE				
1. Operating and maintenance Expenses		P	37,66,31,706	33,87,18,748
2. Payment & Provision to employees			70,29,28,735	44,33,41,804
3. Office expenses		Q	2,81,38,032	1,96,84,881
4. Travelling & Conveyance Expenses			70,72,874	46,86,837
5. Administrative Expenses		R	40,15,311	24,61,081
6. Issues 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			19,22,63,038	15,40,60,551
b. Unsecured Loans			44,69,04,815	36,28,27,265
10. Depreciation			63,91,67,853	51,68,87,816
			10,91,70,488	11,20,70,485
			1,86,51,24,999	1,43,78,31,452
11. Transferred to Capital Work-in-Progress			15,39,03,359	13,75,69,211
			1,71,12,21,640	1,30,02,62,241
Excess of Expenditure over Income for the year			84,26,19,416	48,55,83,386
12. Prior Period adjustment		V	0	0
Excess of Expenditure over income			84,26,19,416	48,55,83,386

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

Sd/-
 Finance Manager and
 Chief Accounts Officer

Sd/-
 Accounts Member

Sd/-
 Managing Director

Place : Thiruvananthapuram
 Date : 31/01/1997

KERALA WATER AUTHORITY

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 1996

SCHEDULE - A

		HCP	SBS	CURRENT YEAR	PREV. YEAR
CONTRIBUTIONS & GRANTS					
1. Net value of Assets taken over				3,88,28,68,875	3,88,28,68,875
2. Cont. & Grants from State govt.				4,09,73,88,096	3,48,78,88,096
3. Cont. & Grants from GOI				24,68,87,000	0
4. Donated capital assets				39,54,771	36,52,941
5. Capital contribution from others				31,49,07,088	30,64,35,751
				8,54,60,05,830	7,68,08,45,663
SCHEDULE - B					
RESERVES & SURPLUS					
				0	0
SCHEDULE - C					
SECURED LOANS					
1. Loan from LIC of India				1,25,84,42,480	1,10,72,94,492
2. Loan from HUDCO				41,82,47,475	34,89,42,475
				1,67,66,89,955	1,45,62,36,967
SCHEDULE - D					
UNSECURED LOANS					
1. a. Loan from Govt. of Kerala				3,11,82,46,740	2,66,42,58,740
b. Interest accrued on GOK Loan				1,79,30,51,730	1,37,63,10,266
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	39,497,200
c. For Kerala Urban Development Project				3,60,00,000	3,60,00,000
3. Loan from industrial consumers				4,09,82,150	4,65,46,143
4. Deposit from local bodies				1,04,31,154	1,02,85,642
5. Security Deposit				5,21,16,796	4,90,98,174
6. Earnest Money Deposit				47,45,703	45,61,129
7. Water connection deposits				61,07,591	52,24,386
8. Sewer connection deposits				4,87,448	3,71,541
9. Deposit work-water supply & sewerage				10,76,05,790	9,08,20,388
10. Other deposits				93,99,867	64,15,760
11. Unclassified Deposits				8,65,92,416	8,65,92,416
				5,34,17,90,335	4,45,25,07,535

SCHEDULE E

SCHEDULE OF FIXED ASSETS AT 31-03-96

KERALA WATER AUTHORITY

ACCOUNT CODE	DESCRIPTION	GROSS BLOCK		DEPRECIATION BLOCK		NET BLOCK				
		BALANCE AS ON 1-4-95	ADDITIONS DURING YEAR	DEL AS ON 31-3-96	AS ON 31-3-96	BALANCE AS ON 1-4-95	DEPRECIATION FOR THE YEAR	DEP. UPTO 31-3-96	AS ON 31-3-96	PREVIOUS YEAR
1011	FREE HOLD LAND	631558645	5794230	0	637352875	0	0	0	637352875	631558645
1012	LEASE HOLD LAND	0	0	0	0	0	0	0	0	0
10134	LAND DEVELOPMENT EXPENDITURE	70254814	0	0	70254814	0	0	0	70254814	70254814
102	CIVIL WORKS	1206759011	0	0	1206759011	521142034	26495375	547637409	659121602	685616977
103	BUILDINGS	258908393	0	0	258908393	102861995	4236611	107098606	151809787	156046398
104	PLANT & MACHINERY	342227027	4800	0	342231827	245981922	7803997	253785919	88445908	96245105
105	MAINS & NETWORKS	3508052235	0	0	3508052235	1755045425	66468260	1821513685	1686538550	1753006810
106	ROADS BRIDGES AND CULVERTS	53423194	0	0	53423194	42590883	794879	43385762	10037432	10832311
107	VEHICLES	36053273	1021232	0	37074505	29826990	1031194	30858184	6216321	6226283
108	FURNITURE, FIXTURES & OFFICE EQUIPMENTS	49726180	2815042	0	52541222	26792782	2340172	29132954	23408268	22933398
TOTAL		6156962772	9635304	0	6166598076	2724242031	109170488	2833412519	3333185557	3432720741

PREVIOUS YEAR (Rs)

6156962772

2724242031

3432720741

5996514623

THIS YEAR (Rs.)

6166598076

2833412519

3333185557

7012153580

GROSS BLOCK OF FIXED ASSETS

LESS : ACC. DEPRECIATION

NET VALUE OF FIXED ASSETS

ADD : C.W.I.P. AC CODE 11

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

SCHEDULE - F

	CURRENT YEAR	PREV. YEAR
	0	0
INVESTMENTS		
SCHEDULE - G		
CURRENT ASSETS		
1. Inventory		
a. Stores, Tools & Spares	72,48,34,194	55,69,68,147
b. Consumables	63,39,402	63,14,548
c. Others	4,70,343	4,70,343
	73,16,43,939	56,37,53,038
2. Sundry Debtors		
a. Consumers		
i. Local bodies dues - water & maintenance charges	1,03,58,61,528	1,02,72,77,166
ii. Others	12,87,42,211	11,46,54,552
b. LIC Loan repayment due from Local Bodies	17,61,43,755	17,62,77,078
c. Others	42,27,628	42,27,628
	1,34,49,75,122	1,32,24,36,424
3. Cash & Bank Balances		
a. Bank & Treasury balances	42,18,52,769	45,14,77,342
b. Cheques & bills in transit	0	0
c. Cash on hand	21,75,512	17,78,000
	42,40,28,281	45,32,55,342
4. Other current assets		
a. Inter office & other suspense account balance	(6,70,51,506)	(7,57,00,384)
b. Interest accrued on short term deposit	2,63,012	5,96,166
	(6,67,88,494)	(7,51,04,218)
	2,43,38,58,848	2,26,43,40,586
SCHEDULE - H		
CURRENT LIABILITIES & PROVISIONS		
1. Current liabilities		
a. Sundry creditors	7,83,17,203	5,95,21,913
b. Statutory employees deductions		
i. General provident fund	26,66,31,081	17,83,49,757
ii. NMR PF	3,85,88,400	2,46,52,898
iii. Others	4,07,486	(5,65,671)
c. Sales-tax collections	33,93,888	27,23,679
d. Tax deducted at source	34,94,357	29,27,809
e. Other current liabilities	50,37,32,161	5,02,7,11,659
f. Interest accrued but not due- LIC	3,50,27,814	2,97,99,603
g. House rent deductions	(1,71,857)	(5,18,504)
	92,94,20,533	79,96,03,143
2. Control account balances	30,05,96,278	29,80,86,881
	1,23,00,16,811	1,09,76,90,024

KERALA WATER AUTHORITY

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

SCHEDULE - I

	CURRENT YEAR	PREV. YEAR
LOANS AND ADVANCES		
1. Loans & advances to employees	4,14,73,081	3,62,88,921
2. Advances for expenses	1,01,24,898	1,66,84,040
3. Advances to suppliers / contractors	79,97,44,589	73,56,98,988
4. Advances to District Collectors	10,57,31,500	
5. Advances to Director Municipal Admn.	3,65,25,750	3,65,25,750
6. Advances to Director of Panchayats	3,94,97,200	3,94,97,200
7. Advances to KUDP	3,60,00,000	3,60,00,000
8. Advances - others	10,54,721	10,36,921
9. Claims recoverable	34,85,734	31,23,127
10. Contribution Deposit - KSEB	3,11,53,791	2,55,36,518
11. Consumer Deposit - KSEB	1,48,33,850	1,34,07,540
12. Deposit with PWD	3,9,5,40,201	3,65,17,594
13. Deposit with Others	46,16,919	45,24,911
14. Prepaid expenses	19,927	19,440
15. Advances for capital expenditure	22,53,628	22,13,548
	1,16,60,55,789	98,70,74,498
SCHEDULE - J		
MISC. EXPENDITURE NOT WRITTEN OFF	0	0
SCHEDULE - K		
ACCUMULATED EXCESS OF EXPENDITURE OVER INCOME		
Balance as on last year	2,00,66,29,741	1,52,10,46,355
Add: Transfer from schedule B- Current years excess of expenditure over income	84,26,19,416	48,55,83,386
	2,84,92,49,157	2,00,66,29,741

Sd/-
FINANCE MANAGER &
CHIEF ACCOUNTS OFFICER

Sd/-
ACCOUNTS
MEMBER

Sd/-
MANAGING DIRECTOR

Place : Thiruvananthapuram
Date : 31/01/1997

KERALA WATER AUTHORITY

SCHEDULES FORMING PART OF INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR 1995-96

SCHEDULE - L

	CURRENT YEAR	PREV. YEAR
OPERATING INCOME - CONSUMERS		
1. Operating income - Water supply	17,05,56,928	15,41,48,621
a. Domestic Consumers	15,51,80,081	13,66,51,735
b. Nondomestic Consumers	3,27,44,874	3,59,91,701
c. Industrial Consumers		
	35,84,81,883	32,67,92,057
2. Operating income - Sewerage		
a. Domestic Consumers	9,830	39,743
b. Nondomestic Consumers	42,79,828	11,420
	42,89,658	51,163
3. Income from Local bodies	12,08,52,060	11,18,01,876
	48,36,23,601	43,86,45,096
SCHEDULE - M		
OPERATING INCOME - OTHERS		
1. Centage charges	20,90,415	13,35,512
2. Storage charges	83,038	54,518
3. Supervision charges	15,85,042	19,08,926
4. Miscellaneous recoveries	2,79,676	3,05,060
	40,38,171	36,04,016
SCHEDULE - N		
INTEREST INCOME		
1. Interest on loans & advances	3,34,207	2,92,301
2. Interest on deposits	1,00,31,440	58,75,262
	1,03,65,647	61,67,563
SCHEDULE - O		
OTHER NON-OPERATING INCOME		
1. Income as recoveries	1,70,07,399	1,02,74,548
2. Claims recoverable	11,36,839	3,50,899
3. Miscellaneous income	84,30,567	1,16,33,733
	2,65,74,805	2,22,59,180
SCHEDULE - P		
OPERATING AND MAINTENANCE EXPENSES		
1. Consumption of stores, Tools & Spares	2,94,22,078	2,59,25,571
2. Consumables	2,34,03,313	1,88,25,640
3. Power charges	19,39,81,967	17,29,23,335
4. Insurance	1,06,293	1,27,579
5. Other operating expenses	72,02,928	92,70,740
6. R&M of water supply	10,14,59,433	9,05,25,870
7. R&M of sewerage	90,96,647	90,17,165
8. Vehicle maintenance	1,19,59,047	1,21,02,848
	37,66,31,706	33,87,18,748

KERALA WATER AUTHORITY

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

SCHEDULE - Q

	CURRENT YEAR	PREV. YEAR
OFFICE EXPENSES		
1. Rent	11,73,467	7,07,161
2. Rates & Taxes	10,75,123	10,79,309
3. Postage, Telegram, Telephone and Telex	48,35,478	47,10,384
4. Printing & Stationary	52,80,801	42,24,817
5. Exhibition & Publicity	68,36,247	29,41,658
6. Training and other expenses	7,99,408	9,96,538
7. Other office expenses	61,37,508	50,05,214
	2,61,38,032	1,96,54,881
SCHEDULE - R		
ADMINISTRATIVE EXPENSES		
1. Board meeting expenses	11,308	13,843
2. Professional fees	21,45,833	8,36,955
3. Payment to auditors		
a. Audit Fees	15,24,308	15,24,308
b. Audit Expenses	0	0
c. Certification Fees	0	0
d. Other payments	0	0
	15,24,308	15,24,308
4. Bank Charges	28,318	52,235
5. Other administrative expenses	3,05,544	2,33,740
	40,15,311	24,61,081
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		0
SCHEDULE - W		
APPROPRIATIONS TO RESERVES	0	0

Sd/-
FINANCE MANAGER &
CHIEF ACCOUNTS OFFICER

Sd/-
ACCOUNTS MEMBER

Sd/-
MANAGING DIRECTOR

Place : Thiruvananthapuram
Date : 31/01/1997

KERALA WATER AUTHORITY

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1996

1. BALANCE SHEET

1.01. CONTRIBUTIONS & GRANTS
(SCHEDULE - A)

CURRENT YEAR Rs. 85460.08 LAKHS
PREVIOUS YEAR Rs. 76808.46 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. 38828.69 lakhs (Rs. 38828.69 lakhs) (ii) all contributions and Grants (Plan) received by the Authority since its formation amounting to Rs. 40973.88 lakhs (Rs. 34878.88 lakhs) (iii) all assets received by way of donations valued at fair market value amounting to Rs. 39.55 lakhs (Rs. 36.53 lakhs); and (iv) all other miscellaneous grants and contributions received from various sources amounting to Rs. 3149.07 lakhs (Rs. 3064.36 lakhs).

1.02 SECURED LOANS
(SCHEDULE - C)

CURRENT YEAR Rs. 16766.90 LAKHS
PREVIOUS YEAR Rs. 14562.37 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
(SCHEDULE - D)

CURRENT YEAR Rs. 53417.90 LAKHS
PREVIOUS YEAR Rs. 44525.08 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 upto 1994-95. During the year actual interest due based on the date of receipt of the loan has been provided. 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. 17930.52 lakhs out of which Rs. 4167.41 lakhs related to the interest provided for the period 1995-96

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 L C S 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 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.

1.04 FIXED ASSETS
(SCHEDULE - E)

CURRENT YEAR Rs. 103453.39 LAKHS
PREVIOUS YEAR Rs. 94292.35 LAKHS

1.04.1 The value of fixed assets represents (i) the value of Fixed Assets and Capital Work - in - Progress vested in and transferred to the Authority amounting to Rs. 42182.80 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** (SCHEDULE - G) CURRENT YEAR Rs. 24338.59 LAKHS
PREVIOUS YEAR Rs. 22643.41 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.1761.44 lakhs (Rs. 1762.77); and (ii) water and maintenance charges amounting to Rs. 10358.61 lakhs (Rs. 10272.77 lakhs) for which confirmation of balances have not been obtained.
- 1.05.3 The Sundry Debtors balances have not been reconciled and no revision 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	:	Credit Rs. 802.88 lakhs (Credit Rs. 905.60 lakhs)
Cash and Bank Suspense	:	Debt Rs. 132.37 lakhs (Debit Rs.148.60 lakhs)

This represents the differences in Receipts & Payments statements for the year 1984-85 to 1995-96, 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. 12300.17 LAKHS
PREVIOUS YEAR Rs. 10976.90 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 1994-95. 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 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 3005.96 lakhs (Credit Rs. 2980.87 lakhs)

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

1.07. **LOANS & ADVANCES** (SCHEDULE - I) CURRENT YEAR Rs. 11660.56 LAKHS
PREVIOUS YEAR Rs. 9870.74 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. 28492.49 LAKHS
PREVIOUS YEAR Rs. 20066.30 LAKHS

The accumulated excess of expenditure over income comprises of carry forward balance of Rs. 20066.30 lakhs and current years excess of expenditure over income of Rs. 8426.19 lakhs.

2. INCOME AND EXPENDITURE ACCOUNT

2.01. OPERATING INCOME CURRENT YEAR Rs. 4876.62 LAKHS
(SCHEDULE - L) PREVIOUS YEAR Rs. 4422.49 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. 7029.29 LAKHS
PREVIOUS YEAR Rs. 4433.42 LAKHS

This includes payment of salary arrears from 01/03/1992 on account of pay revision orders, for which no provision had been made in the previous years accounts. 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. 1091.70 LAKHS
PREVIOUS YEAR Rs. 1120.70 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 ADJUSTMENT Nil.

2.05. GENERAL

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

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

Sd/-
Finance Manager &
Chief Accounts Officer

Sd/-
Accounts Member

Sd/-
Managing Director

Place : Thiruvananthapuram
Date : 31-01-1997

KERALA WATER AUTHORITY

REPLY TO THE AUDIT REPORT ON THE ACCOUNTS OF THE KERALA WATER AUTHORITY FOR THE YEAR 1995 - 96

1. No remarks called for.
- 2 (i). The net value of the assets of the erstwhile PHED taken over as on 01/04/1984 has been provisionally valued and sent for approval of the Government.

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 ever after persistent efforts. We propose to take up this matter with Government for a final decision.

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) a (i) , iii (a)&(b)

The consultants appointed for the updation of the fixed asset register upto 31/03/1992 had submitted their final report and the same is approved by the Authority on 28-4-1997. 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, in the Accounts for the year 1996-97.
- ii (a) (2) Steps are being taken for assessing the amount to be transferred from work in progress to fixed assets from 1992-93 to 1995-96.
- ii (a) (3) We were charging depreciation for a full year on assets added, no depreciation for assets 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 in order to maintain consistency. We propose to take steps to amend the depreciation rules suitably.
- iv 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). The credit balances in the consumables 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.
- (vi). The amount relates to miscellaneous stock items which were carried over from 1987-88 while valuing the assets. This will be transferred to appropriate heads when a detailed stock verification is undertaken.
- (vii) Division wise details towards the dues from panchayats, Municipalities and Corporations as on 31/03/1993 are now available and the same is being updated. These figures are being communicated to the local bodies and adjustment if any, are required are being done. Steps have been taken to reconcile the dues of other consumers also.
- (viii). We are reconciling the inter office remittances. Action is being taken to locate the difference of Rs.0.49 lakhs as well as the difference of Rs. 132.37 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) a. The credit cards for the year 1995-96 are being issued. The individual balance of PF account is under scrutiny.
- Action has been taken to account the amount received from the Director of Municipal Administration to the respective personal ledger accounts.
- b. The liability on account of IAPWD is created for the net debit balance under items adjustable by PWD prior to the formation of the Authority as recommended by the AG during the Audit of Accounts for the year 1988-89.
- (xi) The adjustment of the amount received from Railways against the fixed assets accounts 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 consultants's report which has since been received.
- (xiii) a. From the inception of the Authority, we are debiting the entire interest on loan directly to Income & Expenditure Account. Further, it is also not possible to identify the loan amount with each scheme as in certain cases the expenditure will be incurred after a few years from the receipt of the loan. In view of the Audit observation, the possibility of charging interest on the amount spent on various schemes until the scheme is commissioned will be examined.
- b. 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.
- (xiv) 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 the Pollution Control Board.
- (xv) Details have been collected and the same will be incorporated in the accounts for the year 1996-97.
- (xvi) The quantitative details of water produced and sold were 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.

MANAGING DIRECTOR

FINANCIAL RESULTS

INCOME AND EXPENDITURE

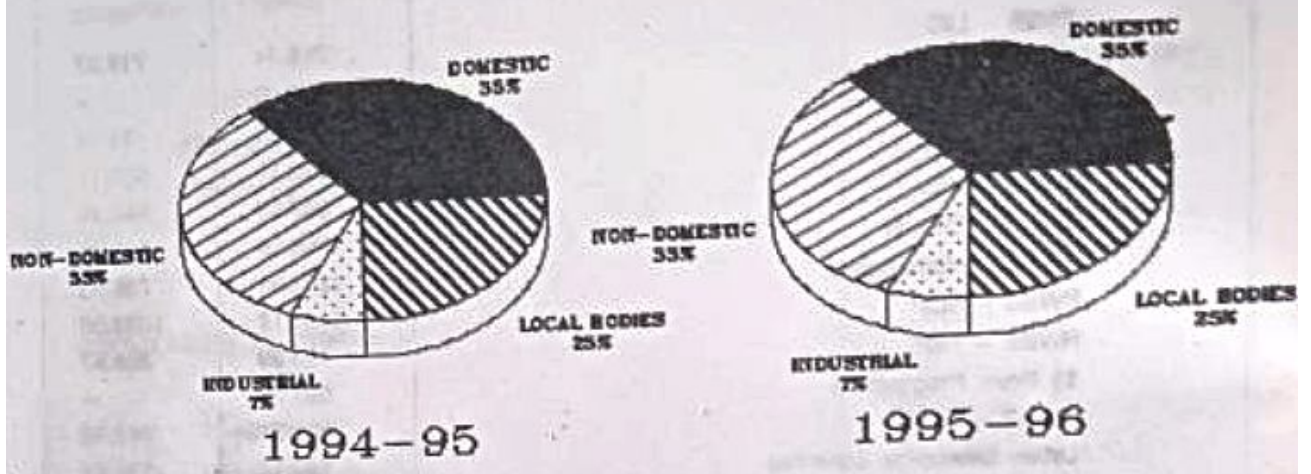
Income from operations for the year 1995-96 amounts to Rs.5246.02 lakhs. In addition a non-plan grant of Rs.3,440.03 Lakhs was received from Government of Kerala to meet the revenue expenditure. The revenue expenditure after capitalising the share debit comes to Rs.17,112.22 lakhs, leaving a deficit of Rs.8,426.20 lakhs.

	(Rs. in lakhs)	
	1995-96	1994-95
INCOME		
Domestic	1705.67	1541.89
Non-Domestic	1594.60	1366.63
Industrial	327.45	359.92
Local Bodies	1208.52	1118.02
Other Income	409.78	320.30
	5246.02	4706.76
Government of Kerala - Grant	3440.00	3440.03
	8686.02	8146.79
EXPENDITURE		
Operation & Maintenance	3766.32	3387.19
Establishment	7029.29	4433.41
Office Expenses	261.38	196.65
Traveling	70.73	46.87
Administrative Expenses	40.15	24.61
Interest	6391.88	5168.88
Depreciation	1091.70	1120.70
	18651.25	14378.31
Less : Transferred to CWIP	1539.03	1375.69
	17112.22	13002.62
Deficit	8426.20	4855.83

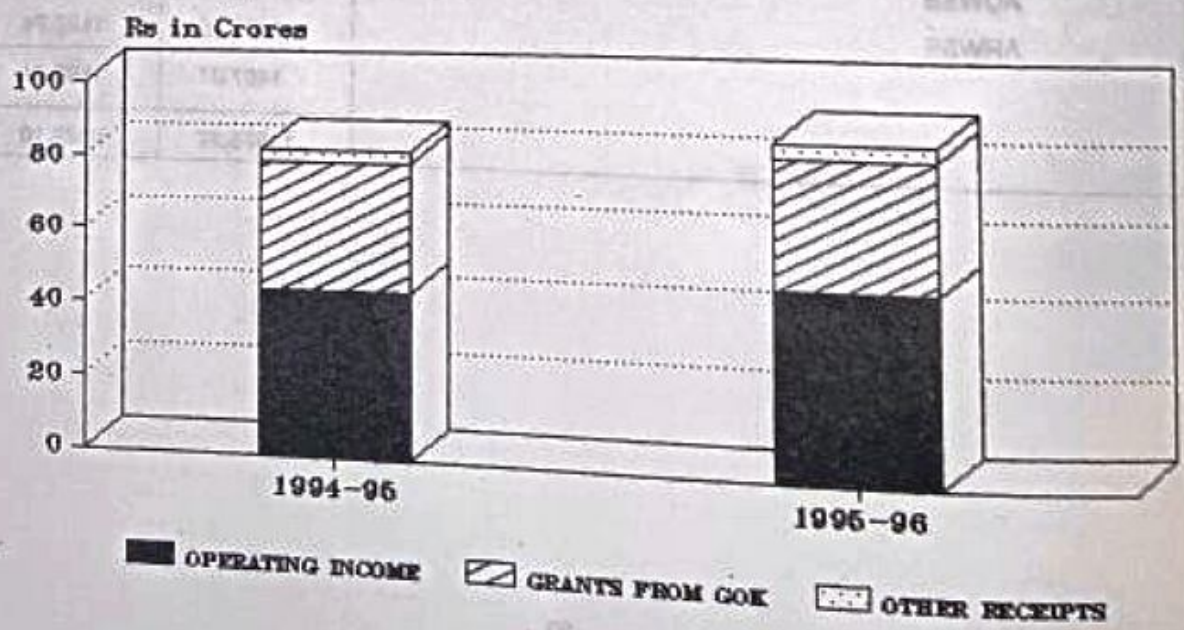
		(Rs. in lakhs)	
		1995-96	1994-95
SOURCES & APPLICATION OF FUNDS			
SOURCES OF FUNDS			
	Capital	85460.06	76808.46
	Secured Loan	16766.90	14562.37
	Unsecured Loan	53417.90	44525.07
		155644.86	135895.90
APPLICATION OF FUNDS			
	Fixed Assets	103453.39	94292.35
	Net Current Assets	12038.42	11666.51
	Loans & Advances	11660.56	9870.74
	Accumulated excess of expenditure over income	28492.49	20066.30
		155644.86	135895.90
CAPITAL RECEIPTS			
	Grant from GOK	6095.00	4486.50
	Loan from GOK	4539.89	4636.71
	Grant from GOI	2468.87	--
	Loan from LIC of India	2028.00	2151.44
	Loan from HUDCO	1060.39	1449.00
	Others	87.73	52.31
		16279.88	12775.96

		(Rs. in lakhs)	
		1995-96	1994-95
CAPITAL EXPENDITURE			
State Plan Schemes			
UWSS - LIC		759.44	718.03
UWSS - Matching		870.00	--
UWSS - Others		138.81	61.50
RWSS - LIC		162.61	502.71
RWSS - WB		337.97	654.74
RWSS - Danida		368.50	505.30
RWSS - Netherlands		1231.91	788.93
RWSS - SCP		1103.17	1033.50
RWSS - TSP		173.39	208.97
15 Point Programme		607.73	--
RWSS - Others		620.37	347.92
Urban Sewerage Schemes		163.42	136.32
Other Schemes		175.63	747.57
		6712.95	5705.48
Outside State Plan Schemes			
UWSS - LIC/HUDCO		2117.77	1556.92
RWSS - LIC		1118.18	538.99
Westernghat Development		17.94	66.65
Drought Relief		91.24	289.78
Others		22.72	32.54
		3367.85	2484.88
Centrally Sponsored Schemes			
AUWSS		12.81	
ARWSS		1485.16	1192.74
		1497.97	1192.74
		11578.77	9383.10

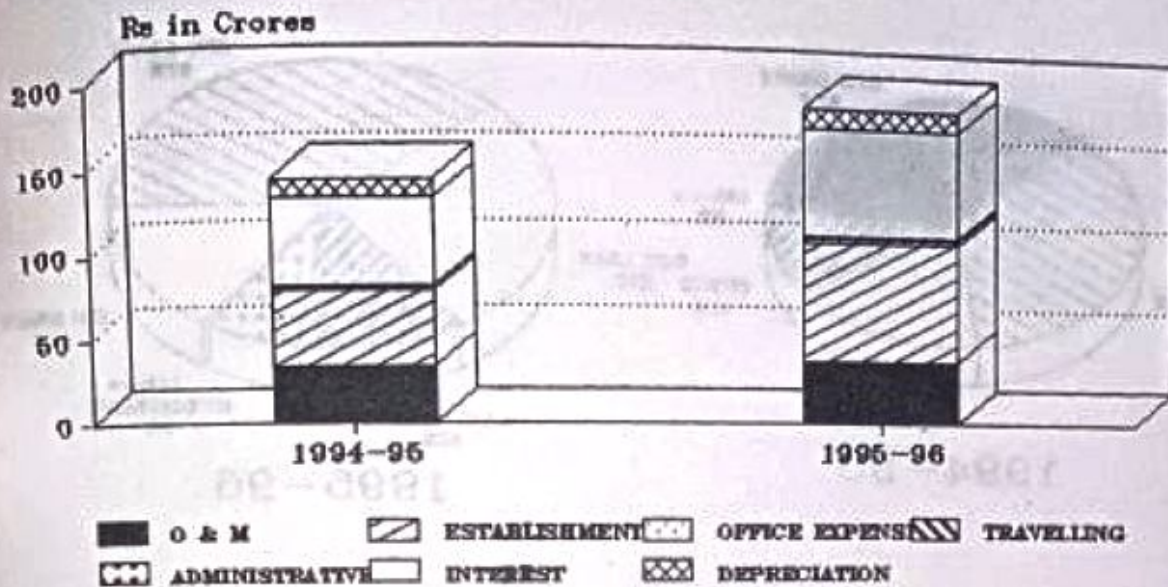
OPERATING INCOME Water Supply



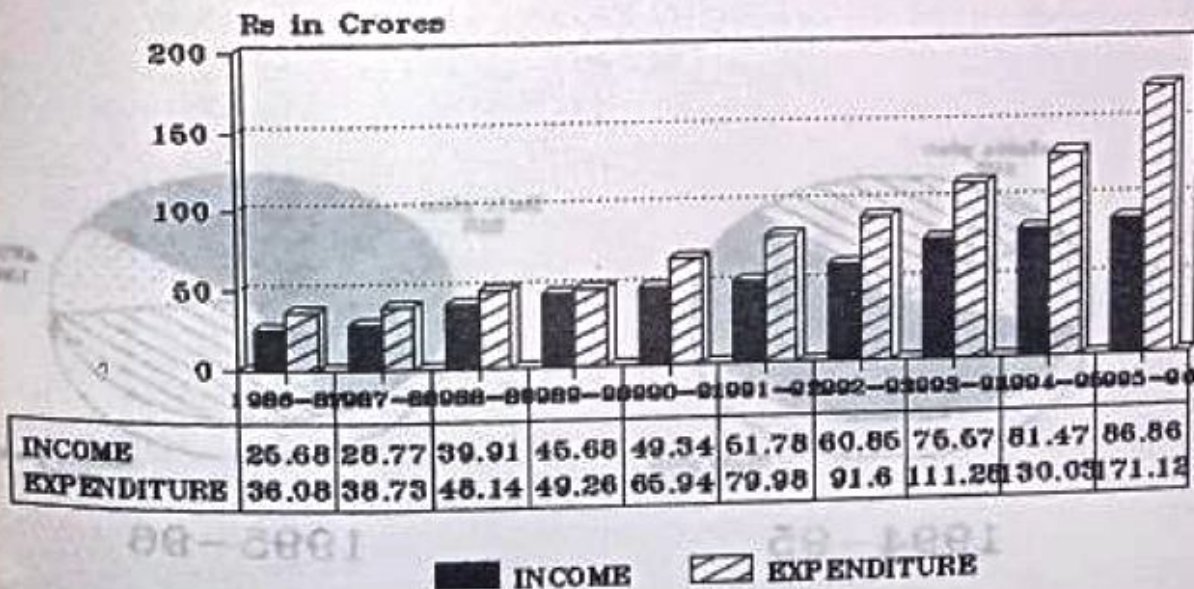
REVENUE ACCOUNT Revenue Receipts



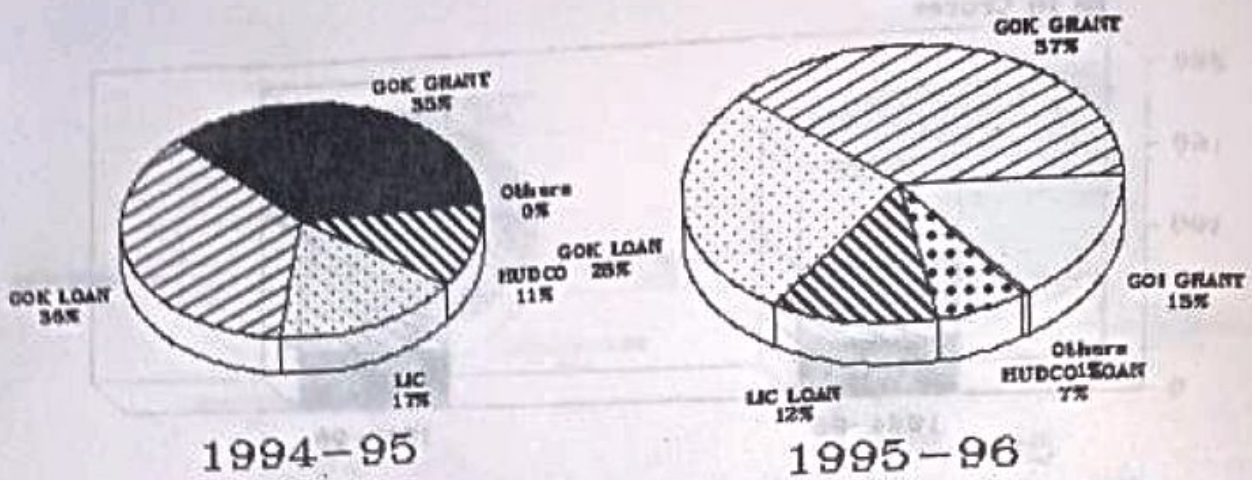
REVENUE ACCOUNT Revenue Expenditure



INCOME & EXPENDITURE 1986-87 to 1995-96



CAPITAL ACCOUNT Receipts



CAPITAL ACCOUNT Expenditure

