

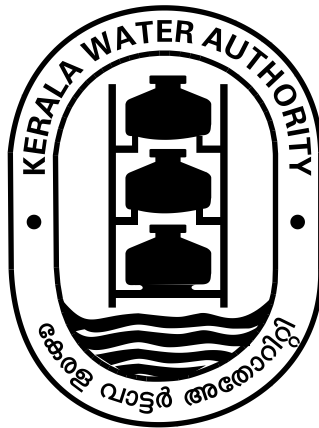


# **KERALA WATER AUTHORITY**

JALABHAVAN, THIRUVANANTHAPURAM 695 033

## **ANNUAL ACCOUNTS AND AUDIT REPORT 2020-21**

# **KERALA WATER AUTHORITY**



## **ANNUAL ACCOUNTS & AUDIT REPORT**

### **2020-21**

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(<https://kwa.kerala.gov.in/ml/accounts>)







**SEPARATE AUDIT REPORT OF THE CONTROLLER AND AUDITOR GENERAL OF INDIA  
ON THE REVISED ACCOUNTS OF THE KERALA WATER AUTHORITY  
FOR THE YEAR ENDED 31 MARCH 2021.**

1. We have audited the attached Balance Sheet of Kerala Water Authority (KWA) as at 31 March 2021 and the Income and Expenditure Account for the year ended 31 March 2021 under Section 19(3) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 29(3) & (4) of the Kerala Water Supply and Sewerage Act, 1986. These financial statements include the individual accounts of 174 units. The preparation of these financial statements is the responsibility of the Kerala Water Authority. Our responsibility is to express an opinion on these financial statements based on our audit.
2. This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with best accounting practices, accounting standards, disclosure norms etc. Audit observations on financial transactions with regard to compliance with the Laws, Rules and Regulations (Propriety and Regularity) and efficiency-cum-performance aspects etc., if any, are reported through Inspection Reports / CAG's Audit Report separately.
3. We have conducted our Audit in accordance with Auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An Audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of financial statements. We believe that our Audit provides a reasonable basis for our opinion.
4. Based on our Audit, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
  - ii. The Balance Sheet and Income and Expenditure Account dealt with by this report have been drawn up in the format approved by the State Government under Section 29(1) of the Kerala Water Supply and Sewerage Act, 1986.
  - iii. In our opinion, system of maintenance of books of accounts and other relevant records as required under Section 29(1) of Kerala Water Supply and Sewerage Act, 1986, were wanting in many respects, in so far as it appeared from our examination of such books.
  - iv. We further report the following significant Audit observations on financial statements under different heads:



## **A. Balance Sheet**

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

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

##### **1.1.1. Reserves and Surplus (Schedule B) - ₹ 356.55 crore**

This represents the amount received upto 31<sup>st</sup> March 2012 towards water/sewer deposit works transferred to Reserve for Deposit Works on completion of such works and not handed over to the depositors as disclosed by the Authority in Note No.2.03 of the Significant Accounting Policies and Notes on the Accounts.

The depreciation on these assets provided for since 2012-13 was not apportioned from this reserve and accounted as income in the Income and Expenditure Account as required by Accounting Standard 12.

Despite reporting the same deficiency in the previous Separate Audit Reports, no adjustment was made in the accounts so far.

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

#### **2.1 Current Asset (Schedule G)**

##### **2.1.1 Sundry Debtors - ₹ 2030.75 crore**

Incorrect accounting of water charges /other revenue received ₹20.20 crore being difference between collection of water charges/other revenue accounted at the Head office ₹605.05 crore and at Field Units ₹584.85 crore during the year 2020-21 as Inter Office and other suspense account balances, resulted in over statement of Sundry Debtors as well as under statement of Inter Office and other Suspense account balances (Account code 9134) by ₹20.20 crore.

##### **2.1.2. Inter Office and other suspense account balances - ₹ 87.45 crore**

The above represents sum of various Inter Office account balances. This includes Inter Office Account (IOA) - Banks/Treasury - Drawing A/C (Account code 9132), wherein ₹107.82 crore is the difference of fund received by Field Units ₹1591.97 crore as against fund transferred from Head Office ₹1699.79 crore accounted during the year 2020-21. In the absence of details of amount accounted as Inter Office and other suspense account balances, correctness of accounting and its impact on the annual accounts could not be ascertained.

## **B. Income and Expenditure Account**

### **1. Expenditure**

#### **1.1 Payment & Provision to employees - ₹ 925.27 crore**

This is understated by ₹72.56 crore due to non-provisioning for arrears of Dearness Allowance (₹23.03 crore) which was merged with Provident Fund account during April/May 2021 and Dearness Relief (₹49.53 crore) released in four installments during 2021-22 for the period January 2019 to February 2021 as per Government Order dated 08 February 2021. This resulted in under statement of expenditure and Current Liabilities to the same extent.

## **C. Impact of Revision of Accounts**

The impact of revision of accounts for the year 2020-21 at the instance of Audit is as follows:



(₹ in crore)

Particulars	Increase	Decrease	Net Increase/Decrease (-)
Assets	233.56	271.39	-37.83
Liabilities	28.89	30.19	-1.30
Expenditure	8.75	40.32	-31.57
Income	1.79	69.90	-68.11

**Impact of Audit Comments on Accounts**

The impact of the comments on revised accounts for the year 2020-21 is as follows: -

(₹ in crore)

Particulars	Increase	Decrease	Net Increase / Decrease (-)
Assets	0	0	0
Liabilities	72.56	0	72.56
Expenditure	72.56	0	72.56
Income	0	0	0

**D. Grants-In-Aid**

Out of Grant-in-aid of ₹1500.34 crore received during the year, the Authority utilized ₹1370.24 crore leaving a balance of ₹130.10 crore as on 31 March 2021.

**E. Management Letter**

Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of the Authority through a management letter issued separately for remedial/corrective action.

- v. Subject to our observations in the preceding paragraphs, we report that the Balance sheet and Income & Expenditure Account dealt with by this report are in agreement with the books of accounts.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with the Accounting Policies and Notes on Accounts and subject to the significant matters stated above and other matters mentioned in Annexure-I to this Audit Report ***give a true and fair*** view in conformity with the accounting principles generally accepted in India.
- a. In so far as it relates to the Balance Sheet of the state of affairs of the Kerala Water Authority as at 31 March 2021.
- b. In so far as it relates to the Income and Expenditure Account of the deficit for the year ended on that date.

तिरुवनंतपुरम / Thiruvananthapuram

Dated.29.05.2025.



## **ANNEXURE I**

### **1. Adequacy of Internal Audit**

Internal Audit of the Authority is conducted by the Internal Audit Wing under the control of Accounts Member. Internal Audit of 31 out of 67 Account Rendering Units (ARUs) has been completed upto 2020-21. Hence, internal audit system is not commensurate with the size of the organization.

### **2. Adequacy of Internal Control System**

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

#### **a) Absence of ARU wise account balances**

ARU wise break up of balances of each head of account of assets and liabilities as on 31<sup>st</sup> March 2021 is not available. Hence the correctness of the same with the original books of accounts of the ARUs could not be verified and confirmed.

#### **b) Non maintenance of subsidiary ledgers**

Subsidiary Ledgers of receivables and payables were not maintained in the Field Units. In the absence of subsidiary register, the correctness of the account balances and status of recovery potential/liability could not be ascertained.

#### **c) Non-maintenance of memorandum accounts – Quantitative Details**

The memorandum accounts (99 Codes) facilitating the ascertainment of quantitative details of water produced/purchased and sold were not maintained.

#### **d) Non-updation of Fixed Assets Register.**

The Authority has maintained fixed assets register for the period upto 31<sup>st</sup> March 2012 only. The Register was not updated since then. In the absence of updated Fixed Assets Register and non-following of manual provisions, the correctness of the value of Fixed Assets as on 31 March 2021 and the depreciation could not be confirmed.

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

Physical verification of Fixed Assets has not been conducted by the Authority. Hence audit could not ensure the physical existence and availability for use of the Assets.

### **4. Physical verification of inventory**

Physical verification of inventory as on 31<sup>st</sup> March 2021 has not been conducted by the Authority. Hence, Audit could not vouchsafe the value of inventories stated in the accounts.

### **5. Valuation of Inventory**

The method followed by the KWA in ascertaining the value of closing inventory was not in conformity with the accounting policy disclosed in Note 2.09.2. The certificate of the management as to the quantity and value of each item of inventory is not available on record. Hence, the value of inventory could not be verified in audit.

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

The Authority defaulted in payment of water cess since 2013-14.

**Senior Deputy Accountant General (AMG-II)**

## ANNEXURE II

### GRANTS-IN-AID

#### Project wise details of Receipt and Utilisation of Grants - in - Aid during the year 2020-21

Sl. No	Name of the Project for which grants received or General Grants	Amount of grant brought forward from previous year	Amount of grant received during the year	Recoupment from Grant	Interest/ Others	Audit Disallowance recouped	Total Grant received / Funds available	Amount utilised during the year	Amount un utilised as on 31-03-2021 carried forward to next year	Remarks i. Target date of the Project. ii. Audit comment on delay etc.
1	NRDWP (Programme and Support)/IJM	(75.83)	354.47	64.58			343.22	304.29	38.93	
2	Earmarked Schemes	-	-	-			-	-	-	
3	Others (National Water Quality Submission Programme) (NWQSM)	2.57	-	-			2.57	-	2.57	KWA recouped the amount utilized from the LSGD
4	Others (NITI Ayog)	12.02	-	-			12.02	-	12.02	Deposit fund account based on the directions of GO(Rt) No153/2020/WRD dated 17.02.2020
	<b>Total GOI</b>	<b>(61.24)</b>	<b>354.47</b>				<b>357.81</b>	<b>304.29</b>	<b>53.52</b>	
5	GOK (P)-State Plan	(122.69)	365.97				243.28	367.97	(124.69)	
6	IJM-State share	(0.79)	404.46	(64.58)			339.09	317.62	21.47	
7	GOK (NP)	-	347.44				347.44	347.44	-	
8	LAC-ADS (Booked under GoK Grant)	14.01	28.00				42.01	32.92	9.09	
	<b>Total GOK</b>	<b>(109.47)</b>	<b>1,145.87</b>				<b>971.82</b>	<b>1,065.95</b>	<b>(94.13)</b>	
	<b>Grand Total</b>	<b>(170.71)</b>	<b>1,500.34</b>				<b>1,329.63</b>	<b>1,370.24</b>	<b>(40.61)</b>	

\*\*The amount received towards deposit works is not included above

\*\*The excess expenditure met from the Own fund/Retention fund of other works for the timely completion of the projects







## KERALA WATER AUTHORITY

### BALANCE SHEET AS AT 31st MARCH 2021

	Schedule Reference	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b>SOURCES OF FUNDS</b>			
1 Kerala Water Authority Fund			
a. Contributions & Grants	A	93,64,56,80,716	82,12,06,88,217
b. Reserves & Surplus	B	3,56,55,04,378	3,56,55,04,378
2 Kerala Water Authority Loan Fund			
a. Secured Loans	C	70,89,44,569	1,91,05,19,355
b. Unsecured Loans & Deposits	D	97,21,27,21,543	86,35,68,91,292
<b>Total</b>		<b>1,95,13,28,51,206</b>	<b>1,73,95,36,03,242</b>
<b>APPLICATION OF FUNDS</b>			
1 Fixed Assets	E		
Gross Block		69,26,06,83,097	66,80,91,54,332
Less: Depreciation Reserve		23,08,38,03,359	21,55,71,87,620
Net Block		46,17,68,79,738	45,25,19,66,712
Capital Work in Progress		89,59,29,59,503	76,13,56,12,306
		1,35,76,98,39,241	1,21,38,75,79,018
2 Investments	F	37,06,58,018	59,49,87,851
3 Net Current Assets			
a. Current Assets	G	31,81,97,41,885	23,20,41,76,321
b. Current Liabilities	H	15,13,28,22,204	11,38,26,18,238
		16,68,69,19,681	11,82,15,58,083
4. Loans & Advances	I	1,49,65,50,510	3,77,40,82,362
5 Miscellaneous Expenditure to the extent not Written-off	J	-	-
6 Accumulated Excess of Expenditure over Income	K	40,80,88,83,756	36,37,53,95,928
<b>Total</b>		<b>1,95,13,28,51,206</b>	<b>1,73,95,36,03,242</b>

Schedules A to K and significant accounting policies and notes on the accounts 2.01 to 2.10 form an integral part of this Balance Sheet.

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

**Dr. Dinesan Cheruvat IAS**  
Accounts Member (i/c)

**Bhandari Swagat Ranveerchand IAS**  
Managing Director

Place: Thiruvananthapuram  
Date : 19.01.2024



# KERALA WATER AUTHORITY

## INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2021

	Schedule Reference	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b>INCOME</b>			
1 Operating Income			
a. Consumers	L	7,02,36,92,858	9,13,57,19,319
b. Others	M	9,74,00,347	5,10,93,273
		7,12,10,93,205	9,18,68,12,592
2 Grants & Subventions - Government of Kerala		3,47,44,45,700	2,73,53,11,300
3 Interest Income	N	26,76,25,374	28,18,65,117
4 Other Non-Operative Income	O	2,63,58,45,681	2,67,70,20,159
<b>Total Income</b>		<b>13,49,90,09,960</b>	<b>14,88,10,09,168</b>
<b>EXPENDITURE</b>			
1 Operating & Maintenance Expences	P	4,41,82,03,058	4,71,06,02,759
2 Payment & Provision to Employees	Q	9,25,27,34,153	9,06,13,73,284
3 Office expenses	R	15,52,59,272	21,92,09,939
4 Travelling & Conveyance Expenses		5,08,32,255	6,02,65,811
5 Administrative Expenses	S	1,59,92,983	2,64,64,075
6 Debtors written off	T	-	3,40,52,79,982
7 Assets and losses written off	U	-	-
8 Provision for Doubtful Debts	V	-	-
9 Interest on			
a. Secured Loans		3,64,78,501	4,43,62,091
b. Government of Kerala Loans		2,64,05,73,750	2,64,12,53,000
c. GPF		31,21,56,118	31,11,49,656
		2,98,92,08,369	2,99,67,64,747
10 Depreciation	E	1,52,66,15,739	1,46,25,25,146
<b>Total Expenditure</b>		<b>18,40,88,45,829</b>	<b>21,94,24,85,743</b>
11 Transferred to Capital Work-In-Progress	W	31,47,88,224	38,64,83,764
		18,09,40,57,605	21,55,60,01,979
<b>Excess of Expenditure over Income</b>		<b>4,59,50,47,645</b>	<b>6,67,49,92,811</b>
12 Prior Period Adjustments	X	(16,15,59,817)	(1,40,47,30,934)
<b>Excess of Expenditure over Income after prior period adjustments</b>		<b>4,43,34,87,828</b>	<b>5,27,02,61,877</b>

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

**Dr. Dinesan Cheruvat IAS**  
Accounts Member (i/c)

**Bhandari Swagat Ranveerchand IAS**  
Managing Director



# KERALA WATER AUTHORITY

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2021

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b>SCHEDULE - A</b>		
<b>CONTRIBUTIONS &amp; GRANTS</b>		
1 Net value of Assets taken over from erstwhile P.H.E.D	4,34,53,27,735	4,34,53,27,735
2 Contribution & Grants from Government of Kerala	61,18,76,88,455	53,19,88,31,329
3 Interest free fund from GOK	7,13,22,51,632	7,13,22,51,632
Less : Amount released to :		
a. Urban L.C.S Schemes	3,65,25,750	3,65,25,750
b. Rural L.C.S Schemes	3,94,97,200	3,94,97,200
c. Kerala Urban Development Project	3,60,00,000	3,60,00,000
	7,02,02,28,682	7,02,02,28,682
4 Contribution & Grants from Government of India	22,61,83,44,284	19,07,36,49,284
Less : Amount released to District Collectors and Kerala Rural Water Sanitation Agency	2,40,60,21,955	2,39,74,62,329
	20,21,23,22,329	16,67,61,86,955
5 Donated capital assets	18,14,530	18,14,530
6 Capital contribution from other sources	87,82,98,985	87,82,98,986
	<b>93,64,56,80,716</b>	<b>82,12,06,88,217</b>
<b>SCHEDULE - B</b>		
<b>RESERVES &amp; SURPLUS</b>		
Reserve for deposit works	3,56,55,04,378	3,56,55,04,378
	<b>3,56,55,04,378</b>	<b>3,56,55,04,378</b>
<b>SCHEDULE - C</b>		
<b>SECURED LOANS</b>		
1 Loan from LIC of India	34,60,15,568	42,51,46,551
2 Bank Loan	36,29,29,001	1,48,53,72,804
	<b>70,89,44,569</b>	<b>1,91,05,19,355</b>
<b>SCHEDULE - D</b>		
<b>UNSECURED LOANS &amp; DEPOSITS</b>		
1 Loan from Govt of Kerala	23,32,73,83,580	23,32,73,83,580
2 Interest accrued on GOK Loan	27,79,81,01,001	25,16,07,14,001
3 Deposit from local bodies	4,56,92,14,920	4,57,23,88,211
4 Security Deposit	3,77,40,09,817	2,77,11,74,979
5 Earnest Money Deposit	7,22,83,989	7,12,82,069
6 Water & Sewerage Connection Deposits	19,33,47,112	17,32,39,647
7 Deposit work-Water Supply & Sewerage	17,46,90,89,588	15,69,11,29,373
8 Other deposits	20,00,92,91,536	14,58,95,79,432
	<b>97,21,27,21,543</b>	<b>86,35,68,91,292</b>

Finance Manager &  
Chief Accounts Officer

Accounts Member (i/c)

Managing Director

# SCHEDULE FORMING PART OF BALANCE SHEET AS ON 31-03-2021 ( Contd....)

## KERALA WATER AUTHORITY SCHEDULE OF FIXED ASSETS AS AT 31st MARCH 2021

### SCHEDULE - E

DESCRIPTION	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	BALANCE AS ON 01/04/2020	ADDITIONS DURING THE YEAR	AS ON 31-03-2021	BALANCE AS ON 01/04/2020	DEPRECIATION	DEPRECIATION UPTO 31-03-2021	CURRENT YEAR	PREVIOUS YEAR
FREE HOLD LAND	1,782,408,121	72,763,324	1,855,171,445	-	-	-	1,855,171,445	1,782,408,121
LEASE HOLD LAND	-	-	-	-	-	-	-	-
LAND DEVELOPMENT EXPENDITURE	74,873,240	-	74,873,240	-	-	-	74,873,240	74,873,240
CIVIL WORKS	27,020,798,607	2,098,825,777	29,119,624,384	7,196,379,118	704,908,727	7,901,287,845	21,218,336,539	19,824,419,489
BUILDINGS	2,236,228,932	64,160,819	2,300,389,751	654,990,364	40,739,873	695,730,237	1,604,659,514	1,581,238,568
PLANT AND MACHINERY	7,028,110,073	169,160,913	7,197,270,986	3,129,885,333	232,541,204	3,362,426,537	3,834,844,449	3,898,224,740
MAINS AND NETWORKS	27,601,319,269	23,026,373	27,624,345,642	10,042,047,070	523,753,871	10,565,800,941	17,058,544,701	17,559,272,199
ROADS BRIDGES AND CULVERTS	548,652,074	-	548,652,074	209,601,795	6,963,000	216,564,795	332,087,279	339,050,279
VEHICLES	145,677,771	-	145,677,771	115,074,499	3,765,604	118,840,103	26,837,668	30,603,272
FURNITURE, FIXTURES & OFFICE EQUIPMENTS	371,086,245	23,591,559	394,677,804	209,209,441	13,943,460	223,152,901	171,524,903	161,876,804
Total	66,809,154,332	2,451,528,765	69,260,683,097	21,557,187,620	1,526,615,739	23,083,803,359	46,176,879,738	45,251,966,712

	CURRENT YEAR ( ₹.)	PREVIOUS YEAR ( ₹.)
GROSS BLOCK OF FIXED ASSETS	69,260,683,097	66,80,91,54,332
LESS : ACCUMULATED DEPRECIATION	23,08,38,03,359	21,55,71,87,620
NET VALUE OF FIXED ASSETS	46,17,68,79,738	45,25,19,66,712
ADD : CAPITAL WORK-IN-PROGRESS [ACCOUNT CODE 11]	89,59,29,59,503	76,13,56,12,306
Total	1,35,76,98,39,241	1,21,38,75,79,018

Finance Manager &  
Chief Accounts Officer

Accounts Member (i/c)

Managing Director



## KERALA WATER AUTHORITY

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

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b><u>SCHEDULE - F</u></b>		
<b><u>INVESTMENTS</u></b>		
Investment for Pension / PF	37,06,58,018	59,49,87,851
<b><u>SCHEDULE - G</u></b>		
<b><u>CURRENT ASSETS</u></b>		
1 Inventory :		
a. Stores, Tools & Spares	81,38,12,930	78,51,11,737
b. Consumables	17,25,66,232	17,08,84,774
	<b>98,63,79,162</b>	<b>95,59,96,511</b>
2 Sundry Debtors :		
a. Consumers		
i. Local bodies dues - water & maintenance charges	7,16,77,49,315	5,05,94,81,126
ii. Domestic, Non-domestic & Industrial dues	13,13,43,22,357	12,02,17,46,210
b. Others	54,08,904	54,08,904
	<b>20,30,74,80,576</b>	<b>17,08,66,36,240</b>
3 Cash & Bank Balances :		
a. Bank & Treasury balances	9,63,45,46,024	5,15,89,88,178
b. Cash on hand	1,68,74,888	24,69,265
	<b>9,65,14,20,912</b>	<b>5,16,14,57,443</b>
4 Other Current Assets :		
Inter office & other suspense account balances	87,44,61,235	86,127
	<b>31,81,97,41,885</b>	<b>23,20,41,76,321</b>

Finance Manager &  
Chief Accounts Officer

Accounts Member (i/c)

Managing Director





## KERALA WATER AUTHORITY

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

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b><u>SCHEDULE - H</u></b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
1. <u>Current Liabilities</u>		
a. Sundry Creditors :		
i. Payment to employees	2,82,03,40,357	2,10,12,77,550
ii. For expenses	6,51,64,09,749	3,55,17,61,563
iii. For contractors/suppliers	65,66,61,852	69,32,95,250
b. Statutory employees deductions :	-	
i. General provident fund	4,74,29,80,743	4,71,68,33,753
ii. NMR PF	-	-
iii. Others	(2,45,84,619)	(5,54,86,592)
c. GST Collection	4,61,44,521	48,78,383
d. Tax Deducted at Source	1,32,17,391	(37,27,915)
e. Other Current liabilities	40,08,46,157	37,86,30,557
f. Interest Accrued on Loans	9,29,27,600	9,45,05,998
	15,26,49,43,751	11,48,19,68,547
2. Control Account Balances	(13,21,21,547)	(9,93,50,309)
	<b>15,13,28,22,204</b>	<b>11,38,26,18,238</b>
<b><u>SCHEDULE - I</u></b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
1 Loans & advances to employees	1,46,74,205	1,33,49,953
2 Advances for expenses	3,34,77,010	3,86,42,236
3 Advances to suppliers / contractors	84,85,69,085	3,16,04,16,236
4 Revolving fund to Local Bodies	19,08,803	19,08,803
5 Advances - Others	2,78,86,452	69,12,942
6 Claims recoverable	20,78,03,390	20,89,77,724
7 Contribution Deposit - KSEB	5,12,17,493	5,11,60,491
8 Consumer Deposit - KSEB	19,24,36,596	19,21,06,053
9 Deposit with PWD	-	-
10 Deposit with others	11,85,77,476	10,06,07,924
	<b>1,49,65,50,510</b>	<b>3,77,40,82,362</b>

Finance Manager &  
Chief Accounts Officer

Accounts Member (i/c)

Managing Director



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

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b><u>SCHEDULE - J</u></b>		
<b><u>MISC EXPENDITURE NOT WRITTEN OFF</u></b>		
Miscellaneous Expenses to the extent not written off	-	-
<b><u>SCHEDULE - K</u></b>		
<b><u>ACCUMULATED EXCESS OF EXPENDITURE OVER INCOME</u></b>		
Balance as on the beginning of the year	36,37,53,95,928	31,10,51,34,051
Add : Current years excess of expenditure over income	4,43,34,87,828	5,27,02,61,877
Less : Current years excess of Income over Expenditure	-	-
	<b>40,80,88,83,756</b>	<b>36,37,53,95,928</b>

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

**Dr. Dinesan Cheruvat IAS**  
Accounts Member (i/c)

**Bhandari Swagat Ranveerchand IAS**  
Managing Director

Place: Thiruvananthapuram  
Date : 19.01.2024



**KERALA WATER AUTHORITY**  
**SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT**  
**AS AT 31st MARCH, 2021**

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b><u>SCHEDULE - L</u></b>		
<b>OPERATING INCOME - CONSUMERS</b>		
1 Operating income - water supply		
a. Domestic Consumers	2,98,09,12,930	2,85,98,16,749
b. Non domestic Consumers	2,68,65,46,310	3,30,02,30,152
c. Industrial Consumers	14,78,66,316	16,83,33,084
	<b>5,81,53,25,556</b>	<b>6,32,83,79,985</b>
2 Operating income - Sewerage		
a. Domestic Consumers	12,35,492	23,41,102
b. Non domestic Consumers	4,03,970	15,74,444
	<b>16,39,462</b>	<b>39,15,546</b>
3 Income from local bodies	1,20,67,27,840	2,80,34,23,788
	<b>7,02,36,92,858</b>	<b>9,13,57,19,319</b>
<b><u>SCHEDULE - M</u></b>		
<b>OPERATING INCOME - OTHERS</b>		
1 Centage charges	9,20,91,448	4,03,15,889
2 Storage charges	14,18,563	1,25,436
3 Supervision charges	25,66,494	18,58,999
4 Miscellaneous recoveries	13,23,842	87,92,949
	<b>9,74,00,347</b>	<b>5,10,93,273</b>
<b><u>SCHEDULE - N</u></b>		
<b>INTEREST INCOME</b>		
1 Interest on loans & advances	6,16,455	6,21,440
2 Interest on deposits	26,70,08,919	28,12,43,677
	<b>26,76,25,374</b>	<b>28,18,65,117</b>
<b><u>SCHEDULE - O</u></b>		
<b>OTHER NON-OPERATING INCOME</b>		
1 Income as recoveries	2,31,11,65,835	2,26,16,96,813
2 Claims recoverable	32,405	9,533
3 Miscellaneous income	32,46,47,441	41,53,13,813
	<b>2,63,58,45,681</b>	<b>2,67,70,20,159</b>

Finance Manager &  
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Managing Director



# KERALA WATER AUTHORITY

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

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b><u>SCHEDULE - P</u></b>		
<b>OPERATING &amp; MAINTENANCE EXPENSES</b>		
1 Consumption of Stores, Tools & Spares	7,15,07,733	4,13,78,574
2 Consumables	8,74,33,929	7,63,11,431
3 Power charges	3,13,75,52,759	3,40,13,82,239
4 Insurance	19,44,382	17,94,436
5 Other operating expenses	4,70,22,853	3,44,61,475
6 Repairs & Maintenance of water supply	92,56,88,407	1,12,60,41,485
7 Repair & Maintenance of sewerage	12,17,98,401	57,04,397
8 Vehicle maintenance	2,52,54,594	2,35,28,722
	<b>4,41,82,03,058</b>	<b>4,71,06,02,759</b>
<b><u>SCHEDULE - Q</u></b>		
<b>PAYMENT AND PROVISION TO EMPLOYEES</b>		
1 Salaries and Allowances	4,15,70,55,503	4,26,49,59,580
2 Welfare Expenses and other employee benefits	23,89,55,390	25,61,92,835
3 Casual labour wages and other payments	1,03,11,47,667	87,93,30,196
4 Service Pension and Family Pension	2,47,84,28,602	2,64,60,21,636
5 Commuted Value of Pension	1,15,33,55,748	41,90,27,373
6 Gratuity of Employees	19,37,91,243	59,58,41,664
	<b>9,25,27,34,153</b>	<b>9,06,13,73,284</b>
<b><u>SCHEDULE - R</u></b>		
<b>OFFICE EXPENSES</b>		
1 Rent	31,59,552	29,56,815
2 Rates & Taxes	39,91,499	61,43,583
3 Postage, Telegram, Telephone & Telex	2,41,51,971	1,20,34,281
4 Printing & Stationery	2,11,21,142	2,25,30,500
5 Exhibition & Publicity	3,10,65,497	1,42,73,446
6 Training & other expenses	46,85,224	1,03,79,266
7 Electricity charges	3,02,64,660	11,14,19,075
8 Other office expenses	3,68,19,727	3,94,72,973
	<b>15,52,59,272</b>	<b>21,92,09,939</b>
<b><u>SCHEDULE - S</u></b>		
<b>ADMINISTRATIVE EXPENSES</b>		
1 Board meeting expenses	1,02,833	32,881
2 Professional fees	76,52,493	1,74,58,375
3 Payment to auditors	49,95,604	59,04,812
4 Bank Charges	11,86,294	11,76,390
5 Other administrative expenses	20,55,759	18,91,617
	<b>1,59,92,983</b>	<b>2,64,64,075</b>

Finance Manager &  
Chief Accounts Officer

Accounts Member (i/c)

Managing Director



# KERALA WATER AUTHORITY

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

	CURRENT YEAR (Amount in ₹)	PREVIOUS YEAR (Amount in ₹)
<b>SCHEDULE - T</b>		
<b>WRITE OFFs</b>		
Local Bodies dues written off	-	31,36,90,372
Consumers Written Off	-	3,09,15,89,610
	-	<b>3,40,52,79,982</b>
<b>SCHEDULE - U</b>		
<b>ASSETS WRITTEN OFF</b>	-	-
	-	-
<b>SCHEDULE - V</b>		
<b>PROVISION FOR BAD &amp; DOUBTFUL DEBTS</b>	-	-
<b>SCHEDULE - W</b>		
<b>TRANSFER OF REVENUE EXPENSES TO CWIP</b>		
Establishment Charges (Share Debit)	31,47,88,224	38,64,83,764
	<b>31,47,88,224</b>	<b>38,64,83,764</b>
<b>SCHEDULE - X</b>		
<b>PRIOR PERIOD ADJUSTMENTS</b>		
PPA of Salaries of Employees	(20,60,30,053)	(13,81,18,627)
PPA of Other Office expenses	7,952	55,74,936
PPA of Other Administrative expenses	-	3,09,76,656
PPA of Operating expenses	-	2,48,474
PPA Operative Expenses of Utilities	-	(13,02,871)
PPA R & M Expenses	3,68,64,960	-
PPA Bank Charges	-	1,118
PPA on Investment	(44,63,253)	-
PPA OI on Other Recoveries	9,22,755	-
PPA of Other Misc Income	(13,83,732)	(10,41,37,608)
PPA OI on Centage Charges	(18,42,09,048)	
PPA on Recoveries	(72,221)	(59,441)
PPI OI from D Consumers	48,51,55,023	(2,74,37,491)
PPI OI from Local Bodies	(50,13,59,963)	(1,14,79,56,569)
PPI OI from ND Consumers	13,44,76,067	(2,59,97,424)
PPI OI from IND Consumers	7,85,31,696	34,77,913
	<b>(16,15,59,817)</b>	<b>(1,40,47,30,934)</b>

**Shijith. V**  
Finance Manager &  
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Managing Director

Place: Thiruvananthapuram  
Date : 19.01.2024





# **KERALA WATER AUTHORITY**

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2021**

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

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

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

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

The financial statements of KWA have been prepared in accordance with the Generally Accepted Accounting Principles in India and as per the accounting policies specified in the Kerala Water Authority Accounts Manual. The financial statements have been prepared on accrual basis under the historical cost convention. The gratuity and commutation due on retirement of employees are accounted in the year of retirement itself and amount remain unpaid is shown under current liabilities. The accounting policies adopted in the preparation of the financial statements is consistent with those followed in the previous years.

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

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

2.02.2 The Grant in aid received under plan schemes is booked as Contributions and Grants which form part of the Kerala Water Authority Fund. The Grant in Aid received under non-plan for establishment purpose is recognized as income for the year and is shown in the Income & Expenditure Account. The Grant in aid received for “Projects under LAC ADS” is under Non-Plan Head of Account, exclusively for the purpose of capital expenditure is accounted as Contributions and Grants forming part of the Kerala Water Authority Fund.

2.02.3 During the financial year the total amount of Grants in Aid received are detailed as follows.



₹ in Crore

Sl No.	Source	Amount	Plan/Non Plan	Expenditure (including OB)
1	Government of Kerala	798.43	Plan	718.51
2	Government of Kerala	347.44	Non Plan	347.44
3	Government of India	354.47	Plan	304.29

During the financial year 2020-21, Managing Director, KWA has declared as DDO for 15 State plan Head of Accounts and the bills under State plan schemes were released through BIMS. GoK released an amount of ₹798.43 Crore from the current year's Budget and resumed an amount of ₹57.24 Crore at the end of the financial year. Hence the amount available at the disposal for the financial year is only ₹741.19 Crore. KWA utilized an amount of ₹718.51 Crore only.

During the financial year GoK released an amount of ₹347.44 Crore as Non-plan Grant for the year. KWA utilized the entire amount of ₹347.44 Crore during the year itself.

Government of India released an amount of Rs.354.47 Crore to Government of Kerala during the current financial year and the same is released to KWA. Further KWA recouped an amount of Rs 75.00 Crore utilized from the LSGD Deposit fund account based on the directions of GO(Rt)No153/2020/WRD dated 17.02.2020. KWA utilized an amount of ₹304.29 Crore.

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

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

2.02.4.2 Amount released to District collectors for the implementation of Water Supply Schemes to Scheduled Caste/Scheduled Tribes habitations and amount released to Kerala Rural Water Sanitation Agency out of the Government of India Grant is shown as a deduction in the schedule as a part of Gross Concept followed in the preparation of accounts. The amount shown in the Balance sheet represents the actual release made by KWA and not based on utilization

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

### 2.03 RESERVES & SURPLUS.

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



## **2.04 SECURED LOANS.**

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

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

## **2.06 UNSECURED LOANS**

2.06.1 Unsecured Loans include the Loan received for executing the Water Supply Schemes funded by JICA. KWA has requested for conversion of loan received from Government for the period from 2007-08 to 2016-17 amounting to ₹ 2332.74 crores as grant and to write-off the interest due thereon upto 31/03/2017. Earlier Government vide order GO Rt No: 122/2017/WRD Dated: 15/02/2017 had issued orders for converting an amount of ₹ 713.00 crores as Capital contribution and written off the interest due on the same amounting to ₹ 1004 crore (upto 31.03.2007). As the proposal for conversion of loan has not been rejected by the Government and further Orders in favor of KWA is awaited, the provision for penal interest as mentioned in G.O at the rate of 2.50% amounting to ₹ 58.32 crores for the year has not been provided in the annual accounts. Interest on Government of Kerala loan, amounting to ₹ 263.74 Crore for the year 2020-21 has been provided.

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

## **2.07 FIXED ASSETS**

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

2.07.2 The value of fixed assets ₹13576.98Crore represents (i) The value of fixed assets and capital work in progress vested in and transferred to the Authority amounting to ₹421.83 Crore and (ii) The additions made by the Authority since its formation, after providing for depreciation there on ₹13155.15 Crore.

2.07.3 The fixed assets register has been updated up to the year 2011-12. Action is in progress to update the same for the financial from 2012-2013. The expenditure incurred towards Water Supply Schemes/Sewerage Schemes are first booked as Capital Work in Progress and on successful commissioning of the schemes, the same is transferred to corresponding fixed assets. Even though the fixed assets worth ₹4508.08 Crore have been capitalized on successful commissioning as detailed below, the analysis and updation of fixed assets register and asset related matters is done up to 31-03-2012 only. Year wise capitalization of assets are;



₹ in Crore

Financial Year	Value of Assets Capitalized
2005-06 to 2012-13	2,408.31
2013-14	170.66
2014-15	235.23
2015-16	213.88
2016-17	145.44
2017-18	385.16
2018-19	386.94
2019-20	328.42
2020-21	430.52
<b>TOTAL</b>	<b>4508.08</b>

2.08 **Investment for pension/GPF** represents money kept in Fixed Deposits with District treasury. Interest accrued but not due on the above as on 31-03-2021 is ₹17.81Lakh.

## 2.09 CURRENT ASSETS

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

2.09.2 Closing Stock is valued on FIFO basis.

2.09.3 The sundry debtor's balances have not been reconciled. KWA is treated as "State" and the arrears due are treated as arrears of land revenue and proceeded further for the recovery and as such no provision has been made for doubtful debts. GoK has clarified this vide letter No.WS-C2/I8312021-WRD Dated 26.02.2022. The reconciliation of inter office balances is in progress.

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

Inter office Accounts ₹ 84.92Crore(Debit) and Cash and bank suspense accounts including accumulated difference in receipts and payment statement for the years 1984-85 to 2020-21 amounting to ₹ 4484.80 (Credit).

## 2.10 CURRENT LIABILITIES

2.10.1 The balance shown under statutory employee's deduction of GPF is net of advances given to the employees under respective heads.

2.10.2 The GPF balance has been reconciled with individual accounts.

2.10.3 The interest on GPF has been provided at the rate of 7.10 % for the period from 01.04.2020 to 31.03.2021

2.10.4 Control account balance of ₹ 13.21 Crore (Credit) represents balance under control account capital expenditure others.



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

## **2.11 LOANS AND ADVANCES**

2.11.1 This includes the balances of advances given to the contractors by availing overdraft facility from State Bank of India as temporary funding arrangement till the receipt of budgetary allocation from GoK/GoI. The cost to KWA on account of overdraft interest recovered from the contractor is also grouped under this head. KWA has not considered the amount released through overdraft based internal bill discounting system for journalizing the entries to CWIP as the release are exclusive of the retention amount to the contractors. The same accounting treatment was continued from the previous years also to maintain consistency.

## **2.12 REVENUE RECOGNITION.**

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

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

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

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

2.12.5 No provision for bad and doubtful debts is provided for in the books of accounts for the year. KWA is treated as "State" and the arrears due are treated as arrears of land revenue and proceed further for the recovery and as such no provision has been made for doubtful debts.

## **2.13 INTEREST EXPENDITURE.**

2.13.1 This include interest for loan taken from LIC and due for the year amounting to ₹3.65 Crore. Interest on Government of Kerala Loan includes interest due on Government loans (₹263.74 Crore), Guarantee Commission (₹0.32 Crore) paid to Government.

## **2.14 DEPRECIATION**

2.14.1 Depreciation has been provided for on straight-line method so as to write off 90% of the cost/value of the fixed assets over the estimated useful life of the assets concerned as per the Kerala Water Authority (Depreciation Reserve and its Utilization) Rules 1992.

2.14.2 The total amount of depreciation reserve created amounting to ₹2308.38 Crore include depreciation of ₹50.09Crore provided on Fixed Assets created out of Deposit works up to 31-03-2012.

## **2.15 PRIOR PERIOD ADJUSTMENT**

2.15.1 Prior period adjustments include the previous year correction entry under various income and expenditure accounting codes as well as the adjustment of receivables based on e-ABACUS DCB.





## **2.16 GENERAL**

- 2.16.1 In order to absorb project overheads on capital works, a transfer of revenue expenditure to capital work-in-progress is made @ 5.00 % to 12.50 % for schemes on the capital expenditure.
- 2.16.2 Previous year figures have been re-grouped/re-classified wherever necessary.
- 2.16.3 Leave encashment of the employees have been accounted on cash basis.
- 2.16.4 According to the accounts manual framed under regulation 65 (f) of the Act, provision for gratuity and pension liability accrued shall be made in the accounts of the authority in such manner as may be deemed appropriate by the authority. Accordingly, the gratuity and commutation due on retirement of employees are accounted in the year of retirement itself and amount remain unpaid is shown under current liabilities.

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

**Dr. Dinesan Cheruvat IAS**  
Accounts Member (i/c)

**Bhandari Swagat Ranveerchand IAS**  
Managing Director

Place: Thiruvananthapuram  
Date : 19.01.2024



**KERALA WATER AUTHORITY**  
**REPLY TO THE SEPARATE AUDIT REPORT ON THE ACCOUNTS OF**  
**KERALA WATER AUTHORITY FOR THE YEAR ENDED ON 31-03-2021.**

**A. Balance Sheet**

**1. Sources of Funds**

**1.1 Kerala Water Authority Fund**

**1.1.1 Reserves and Surplus (Schedule B)-₹356.55crore**

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

**2. Application of Funds**

**2.1 Current Asset (Schedule G)**

**2.1.1 Sundry Debtors -₹2030.75crore**

Water charges collected from consumers are accounted at various ARUs as and when they are collected. Revenue collection is done through various modes like Cash/Cheque/Post office/various digital modes. The amount transferred and accounted by Division/Subdivision under account code 9134 is yearly verified as prescribed in the Accounts Manual. Instructions have been issued to reconcile the balance and the deviations will be reduced to zero in future.

**2.1.2. Inter Office and other suspense account balances -₹87.45crore**

Audit observation is noted for future reference. Instructions have been issued for reconciliation of the inter office accounts. Necessary corrections will be incorporated in the subsequent years.

**B. Income and Expenditure Account**

**1. Expenditure**

**1.1 Payment & Provision to employees -₹925.27crore**

Audit query is noted. Revised DA was declared by the State Government vide G.O. (P) No.25/2021/Fin. dated 08/02/2021 and implemented in KWA during 07-2021 only. Since the query is raised after submitting the revised accounts along with replies to the draft SAR for the FY 2020-21 and the same is already reflected in the Annual Accounts for the next FY 2021-22, no rectification is incorporated in the Accounts for the FY 2020-21. However based on the objection and that the same pertain to a period prior to the FY entries pertaining to prior period adjustments will be properly incorporated in the revised Annual Accounts for the FY 2021-22.

**C. Impact of Revision of Accounts**

Comments of the Authority are not warranted.

**Impact of Audit Comments on Accounts**

Comments of the Authority is not warranted.



**D. Grants-In-Aid**

Grant in aid as per the annexure is correctly reflected in the annual accounts of the Authority for the FY 2020-21.

**E. (V) & (VI)**

As per the detailed replies given, Kerala Water Authority has done earnest effort to complete the accounts so as to *give a true and fair* view of its state of affairs for the financial year.

**REPLY TO ANNEXURE I**

**1. Adequacy of Internal Audit**

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

**2. Adequacy of Internal Control System**

**3. Absence of ARU wise account balances**

Instructions have been issued to the divisions to incorporate the corrections/revisions made by the head office, in their books of accounts so that there will not be any difference in the opening balance of the unit trial balance with balance in the Head office trial balance. Head office section has been instructed not to make any corrections in the account balances of the divisions/sub divisions without proposing Journal entries and recording reasons for corrections. Moreover, during the FY 2011-12 and 2012-13 have been consolidated at Head office by adding the “ARU wise during the year transactions to the consolidated closing balance of previous year (balance after audit)” so as to avoid omissions to correct the closing balances as pointed out by AG.

**b). Non maintenance of subsidiary ledgers**

The consumer wise ledgers of receivables are available in e-Abacus software.

**c). Non-maintenance of memorandum accounts-Quantitative Details**

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

**d). Non- updation of Fixed Assets Register.**

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

**e). Physical Verification of Fixed Assets**

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



#### **4. Physical verification of inventory**

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

#### **5. Valuation of Inventory**

Action is taken to collect the details of items of dead stock from the divisions. Necessary entries will be made after assessing the value.

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

The authority is generally regular in depositing undisputed statutory dues with appropriate authorities except Water Cess.



## FINANCIAL RESULTS

Income from operations for the year 2020-21 amounts to ₹1002.46 Crores. In addition, a non plan grant of ₹347.44 Crores was received from Government of Kerala to meet the revenue expenditure. The revenue expenditure after capitalising the share debit and interest on LIC/HUDCO/Bank loan comes to ₹1809.41 Crores leaving an excess of expenditure over income ₹443.35 Crores

### INCOME AND EXPENDITURE

₹ in crores

INCOME	2020-21	2019-20
Domestic	298.09	285.98
Non-Domestic	268.65	330.02
Industrial	14.79	16.83
Local Bodies	120.67	280.34
Sewerage	0.16	0.39
Other Income	300.09	301.01
<b>TOTAL</b>	<b>1,002.46</b>	<b>1,214.57</b>
O & M Grant from GOI		-
Government of Kerala - Grant	347.44	273.53
<b>TOTAL</b>	<b>1,349.90</b>	<b>1,488.10</b>
EXPENDITURE	2020-21	2019-20
Operation & Maintenance	441.82	471.06
Establishment	925.27	906.13
Office Expenses	15.53	21.92
Travelling	5.08	6.03
Administrative Expenses	1.60	2.64
Debtors written off	0.00	340.53
Interest	298.92	299.68
Depreciation	152.66	146.25
<b>TOTAL</b>	<b>1,840.88</b>	<b>2,194.24</b>
Less : Transferred to CWIP	31.48	38.65
<b>TOTAL</b>	<b>1,809.41</b>	<b>2,155.59</b>
Excess of Expenditure over Income	459.50	667.49
Prior period adjustment	(16.16)	(140.47)
Excess of Expenditure over Income after prior period adjustment	<b>443.35</b>	<b>527.02</b>





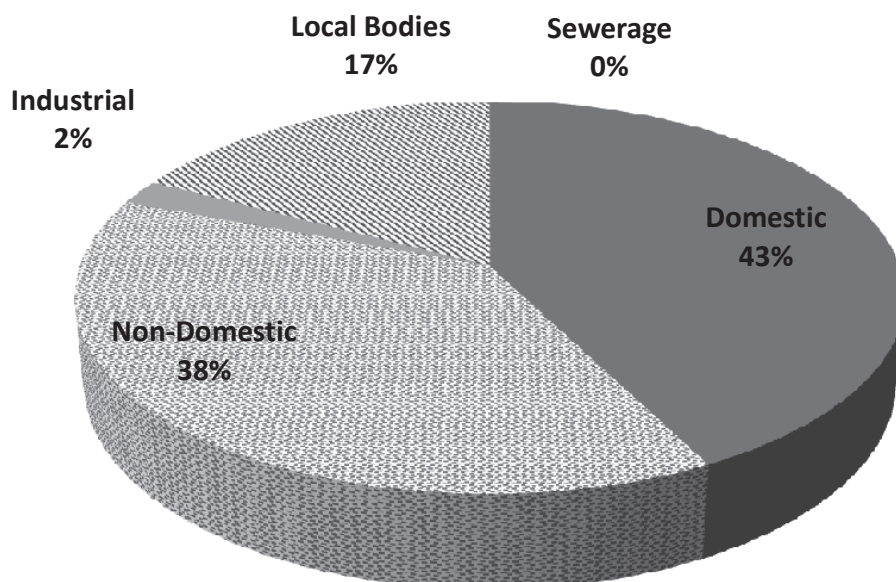
## SOURCES AND APPLICATION OF FUNDS

₹ in crores

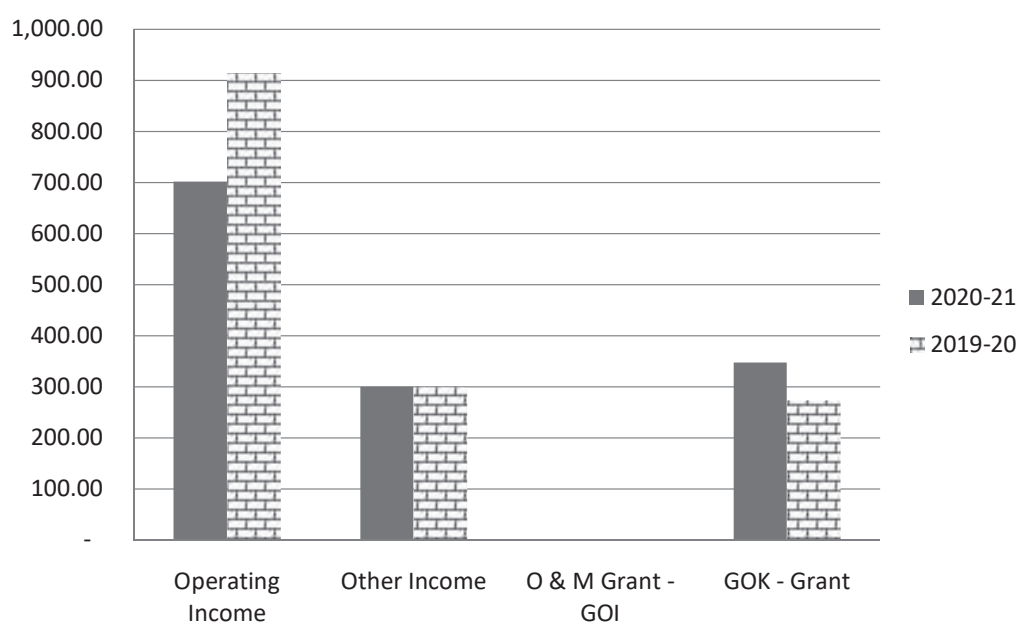
SOURCE OF FUND	2020-21	2019-20
Capital & Reserves	9,721.12	8,568.62
Secured Loans	70.89	191.05
Unsecured loans	9,721.27	8,635.69
<b>TOTAL</b>	<b>19,513.29</b>	<b>17,395.36</b>
APPLICATION OF FUNDS	2020-21	2019-20
Fixed Assets	13,576.98	12,138.75
Investments	37.07	59.50
Net Current Assets	1,668.69	1,182.16
Loans & Advances	149.66	377.41
Accumulated Excess of Expenditure over Income	4,080.89	3,637.54
<b>TOTAL</b>	<b>19,513.29</b>	<b>17,395.36</b>
CAPITAL RECEIPTS	2020-21	2019-20
Grant from Government of Kerala	798.43	121.78
Loan from Government of Kerala		
Grant from Government of India	354.47	50.00
Capital contribution from other sources - World Bank (Jalanidhi)		
<b>TOTAL</b>	<b>1152.90</b>	<b>171.78</b>
₹ in crores		
CAPITAL EXPENDITURE	2020-21	2019-20
<b>State Plan Schemes</b>		
Survey & investigation	0.67	1.33
HRD, Research, Development and Quality Control	0.2847	0.37
Manufacturing units for Bottled water	2.00	1.33
Sewerage Schemes	7.42	0.29
Renovation of existing civil structures owned by KWA	2.89	-
Ongoing Urban Water Supply Scheme	18.94	2.96
Optimisation of production and transmission / replacement of old pipes of existing water supply schemes	126.23	20.54
Rural Water Supply Schemes	71.43	19.85
JBIC assisted Kerala Water Supply Project / JICA	16.00	24.93
Drinking water supply in drought hit areas implemented by KWA	9.999	9.19
Water Supply Schemes - Rural Infrastructure Development Fund NABARD	103.13	86.81
Accelerated Rural Water Supply Scheme/JJM	328.63	61.91
Other Schemes	8.97	1.01
<b>TOTAL</b>	<b>696.60</b>	<b>230.52</b>
<b>Centrally Sponsored Schemes</b>		
Accelerated Rural Water Supply scheme	328.63	61.91
<b>TOTAL</b>	<b>328.63</b>	<b>61.91</b>



## Operating Income 2020-21

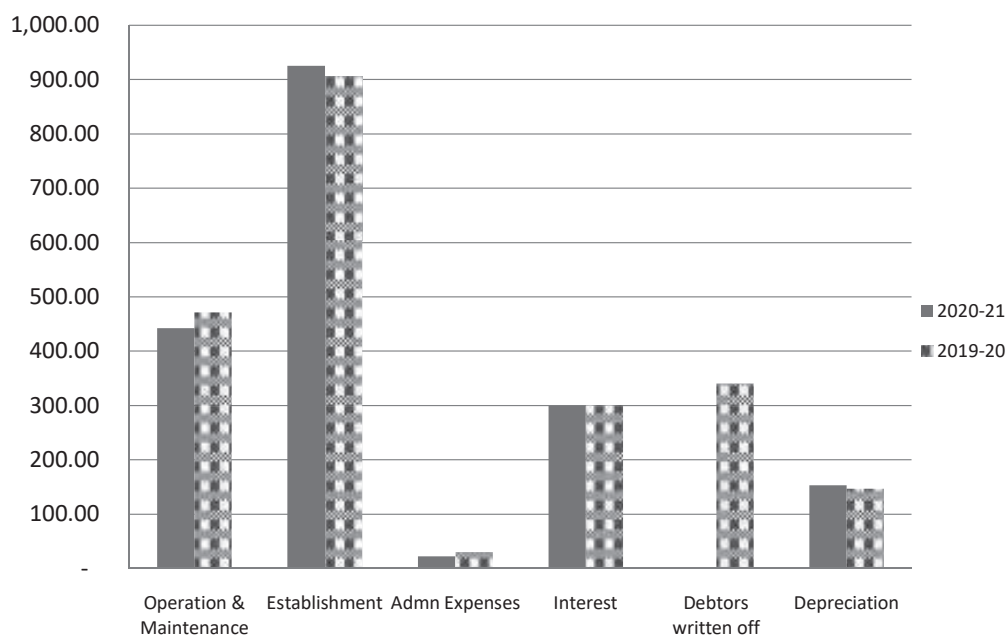


## Revenue Receipts (Rs in crores)

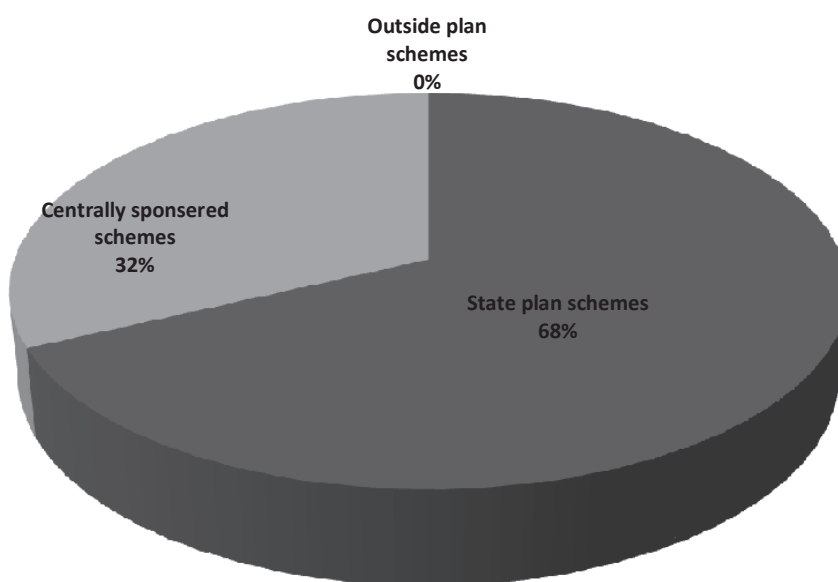


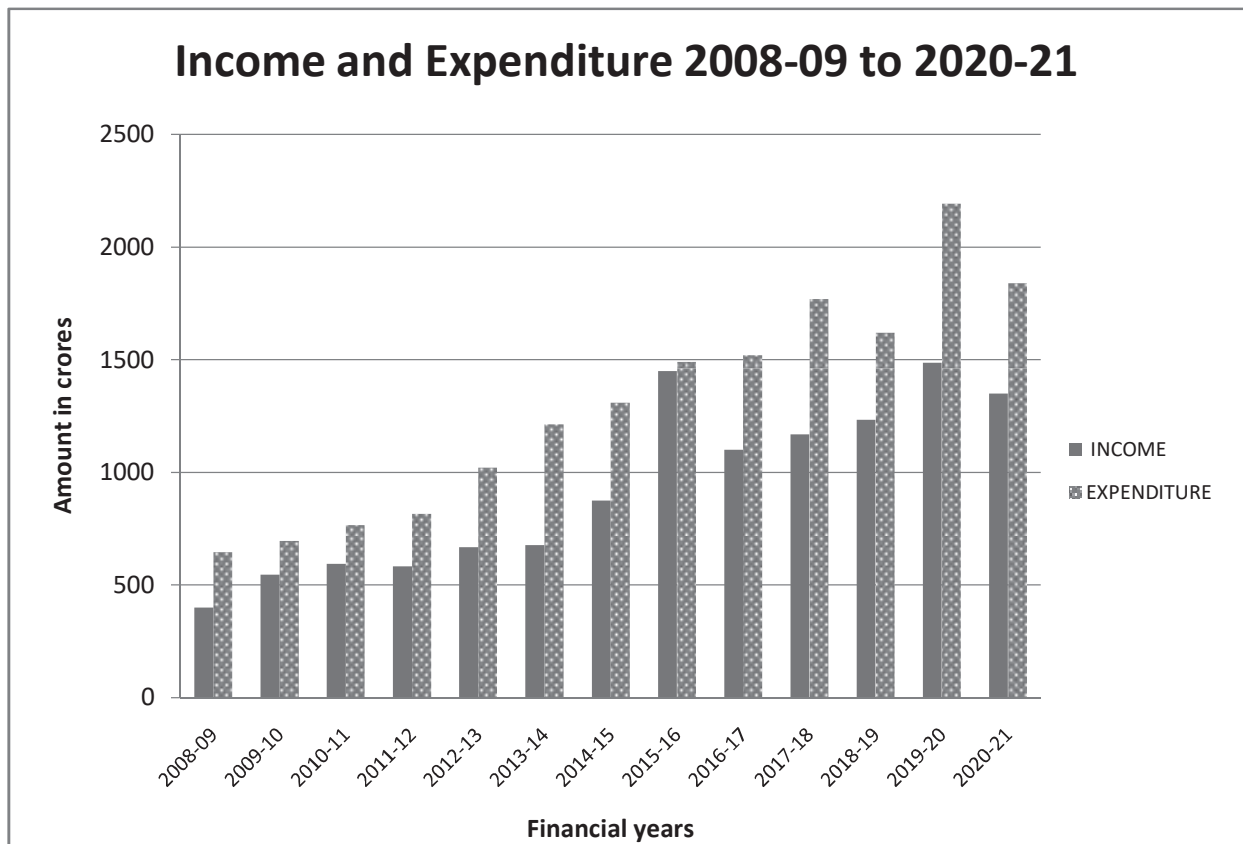


### Revenue Expenditure (Rs in crores)



### Capital Expenditure 2020-21







**KERALA WATER AUTHORITY**

JALABHAVAN, THIRUVANANTHAPURAM 695 033