

REPORT OF THE MANAGING DIRECTOR

It is gratifying to note that in terms of availability of water for distribution, 1995-96 was better than the previous three years. The monsoon was above normal in 1995 and 1996 in Hyderabad, Ranga Reddy, Medak districts-covering the catchment areas of two of our main reservoirs. For the first time in five years, Osmansagar reservoir received full inflows and surplused with a full storage of 3.726 TMC on 2nd October, 1996. Himayathsagar recorded a maximum storage of 2.245 TMC against its installed capacity of 2.96 TMC on 28th November, 1995. However, despite adequate inflows, full storage could not be achieved in Singur reservoir due to ongoing repair works. Against a maximum a maximum storage level of 30 TMC, a storage of 24.560 TMC was achieved on 4th October, 1996.

Rainfall in Hyderabad, Ranga Reddy and Medak district was 1056, 924 and 996 mm respectively, during the year, well over normal rainfall of 845, 812 and 959j mm respectively. Himayatsagar, Osmansagar & Singur reservoirs received substantial inflows during the year. After a lean period commencing from the monsoon of 1992, the water shortage faced by the twin cities finally eased during this year. Water supply was increased from 90 to 130 million gallons per day and supplied on daily basis with effect from 1st November, 199j5 thus bringing to a close the alternate day water supply to the consumers. With the onset of summer, the supply was further increased to 145 million gallons per day with effect from 1st May, 1996. This is the highest level of supply achieved by HMWSSB in its history.

2. Financial Results

The year 199j5-96 resulted in a deficit of Rs.20.67 lakhs before depreciation. After providing for depreciation of Rs.311.73 lakhs, the net deficit works out to Rs.332.40 lakhs. The following is a summary of the financial results: The Board has attempted to absorb all cost increases since 1st April, 1993 (date of last tariff revision) through improved efficiencies, cost reduction and leakage control through Unaccounted for Water Management. However, a tariff review during the current year is necessary.

3. Finances

During the year, the Board received Rs.2659.65 lakhs towards capital grants, out of which Rs.200.00 lakhs was transferred to Rehabilitation & Resettlement Scheme being implemented by the Collector, Medak District, Govt. of Andhra Pradesh. The balance along with the loan of Rs.1638.00 lakhs was utilized towards implementation of the World Bank Program. The Board also received Rs.816.50 lakhs towards continuing Plan Schemes.

4. Extension of Jurisdiction

In tune with the concept that geographical and contour considerations rather than divisions based on administrative convenience should determine the service areas for water utility, the Board as a long term proposal intends to take over all the water supply & sewerage management systems in the Music sub-basin. As a first step, the Board proposes to take over the management of the water supply systems in the nine municipalities of L.B. Nagar, Alwal, Kapra, Uppal, Rajendrranagar and Serilingampally surrounding the twin cities of Hyderabad and Secunderabad. The Board has already taken over management of water supply systems in L.B. Nagar, Kukatpally and Quthbullapur in December, 1996. It is proposed to take over the water supply systems in the remaining six municipalities and undertaking a detailed study of the water supply and sewage disposal requirements to facilitate planning for development.

5. Progress of implementation of various projects

World Bank Project

Component-I:	Manjira	Water	Supply	Phase-IV
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As reported earlier, the 1st component of Manjira Phase-IV for bringing an additional quantity of 30 MGD of water to the city was commissioned ahead of schedule in December, 1993. This enabled the Board to enhance its installed capacity from 120 MGD to 150 MGD. At present, the Board is supplying 145 MGD water because of this increase.

Component-II: Strengthening the existing water supply system
Under this component, 52 works at a cost of Rs.104.07 crores are being taken up. The main components are construction of eight (8) reservoirs with an aggregate capacity of 105 million liters; inlet mains to these reservoirs with 45.72 km length of pipelines; works designed to reduce un-accounted for water in three zones: Banjara Hills: Asmangadh & Red Hills. As on December, 1996, seventeen (17) works at a cost of Rs.3.24 crores have been completed, twenty nine (29) works at a cost of Rs.87.80 crores are in progress. The balance six (6) works will be awarded by March, 1997. Thirty nine improved chlorinates are also being installed to further ensure supply of purified water in all areas.

Component-III: Strengthening of sewage system
Investment of Rs.44.33 crores has been planned under this component for twelve (12) works. Out of these one work has been completed, eight (8) are in progress and three (3) are to be awarded. The main focus of this component is the protection of the Hussainsagar Lake by taking up diversion arrangements for its inlet nullahs; construction of a 20 MLD Sewage Treatment Plant to provide balancing inflows to the lake and laying connecting sewers to foreshore areas.

Component-IV : Low Cost Sanitation
The Board has satisfactorily resolved all the problems it faced earlier in implementing this program. Against a target of 20,000 twin pit pour flush latrines to be constructed in the city and surrounding areas before 31.3.1998; as on December, 1996 construction of 18,000 latrines has been completed and work on another 500 toilets are in progress. Since more than a year is left for completion of the project, it is proposed to take up another 3500 latrines to reach an enhanced target of 22000. This work done through NGOs, has dramatically improved the quality of life in 99 slum areas in and around the twin cities.

Component-V: Rehabilitation & Resettlement Plan under Singur Project
This component is being implemented by the Government of Andhra Pradesh through the Collector, Medak District. The economic rehabilitation programs have been designed imaginatively and innovatively with the complete involvement of the beneficiaries. Under this program persons residing in 32 villages in Medak district displaced as a result of construction of the Singur Dam have been provided rehabilitation in 29 new villages. 5611 project affected families have been successfully transplanted to new locations and provided alternate means of livelihood. Owing to its successful implementation, the Scheme has attracted many people who had earlier left their villages, and are now claiming benefits under this program. In order to close this program in line with the other Components of the project, a cut-off date for receipt of fresh claims was imposed and 905 additional beneficiaries given assistance during the year, raising the total number of beneficiaries to 6516. This will result in the outlay for the rehabilitation plan rising from Rs.26.47 crores to Rs.28.06 crores. All the works will be completed by March, 1997.

Component -VI: Institutional Strengthening and Training Plan
During the year, the software for the revenue billing and collection system was finalized. It has now been installed in six locations i.e, Sainikpuri, Control Room, Moula Ali, Tarnaka, Banjara Hills and Yellareddyguda. This software developed in association with M/s.A.F. Fergusson & Co., Chennai, is extremely useful for water audit and other management related information systems. Some of our sister utilities have expressed an interest in acquiring it. The Materials Management System has also been implemented at all three (3) locations and Board Stores Division and is now on-line.

The project Planning and Control System is now being tested.

For the second project, detailed engineering and environmental assessment studies as well as water quality studies are nearing completion. These studies undertaken in June, 1995 by M/s. Mott Macdonald, U.K.; M/s. Tata Consulting Engineers and M/s. NEERI form the basis for sound

planning for the proposed Krishna Water Project.

2. Human Resources Development

During the year, integrated module training programs were organized for Manager (Engineering) and Finance & Accounts Personnel. 41 Deputy General Managers, 195 Managers & 240 Finance & Accounts Personnel underwent job related training. A workshop on Project Development for Urban Infrastructure was held in December, 1996. As always, the programs were conducted with commitment and imagination by Prof. V. Lakshmi pathy of the Regional Center for Urban & Environmental Studies, Osmania University, Hyderabad.7. Sewage re-modeling Scheme) Duplicate Kalasiguda Main This main with a total length of w2.51 Kms. between Regimental Bazar, near Secunderabad to Sanjeevaih Park is nearing completion. A length of 2.42 Kms. Has been laid so far. Despite technical difficulties encountered in laying pipes through the perennially flowing Kalasiguda nallah the line will be completed by March, 1997. The total cost is estimated at Rs.65.00 lakhs.

Extension of H&L Main
The H&L main with a total length of 1.95 Kms. From Yakutpura to Kamal Talkies has been completed and joined to the SIS main at Kamal Talkies. It will be commissioned in January, 1997 at a total cost of Rs.58.00 lakhs.

Duplicate 'A' Main
The total length of sewer is 4.9 Kms starting from Kandikal Gate, out of which work on 4.32 Kms. Has been completed so far. There is some delay because of the subsequent growth of Ganganagar slum along the proposed alignment. This line will be commissioned below the Yakutpura Bridge by March, 1997 and the entire line will be commissioned by October, 1997.

Duplicate Outfall Sewer
This sewer starting from Chadergat Bridge to Amberpet over a length of 3.22 Kms. Is completed to a length of 3.15 Kms. A length of 70 mtrs. Being a bridge over Lingampally Nallah remains to be constructed. The total estimated cost of this sewer is Rs. 281 lakhs.

JETL line
A 900 mm sewer line to carry industrial effluents from Jeedimetla Effluent Treatment Kplant and domestic effluent from part of Quthbullapur Municipality is nearing completion. This line will divert industrial effluents from the Jeedimetla Effluent Treatment Plant to the duplicate K&S main. The total length of the line is 10.39 Kms. Of which 8.40 Kms. Has already been laid. This line will be commissioned by May, 1997 at a total cost of Rs.346.91 lakhs.

8. Mega City Project through HUDCO

As per the Conceptual Design Report prepared for the Hyderabad Metropolitan area up to the year 2021, investments of Rs.708.20 crores in water supply and Rs.600 crores in sewerage are required to meet minimum service levels to the growing population. The aggregate investment in water supply and sewerage infrastructure under the ongoing world Bank Project is only Rs.337.80 crores.

To improved and to extend customer service levels in the MCH area as well as the 9 municipalities, a project with a total cost of Rs.112.00 crores was formulated with financing pattern as follows:

Under this project, Rs.49.00 crores will be spent for development of water supply and sewerage system in the nine (9) municipalities and the balance is earmarked to further develop the earlier investments under the World Bank project as well as extend the distribution network.

Hudco has sanctioned the loan. Tenders are being invited. The scheme will be completed within two years.

Krishna Water Project

In June, 1995, international bids were invited on BOOT basic for extraction, treatment and transmission of water from Nagarjunasagar Reservoir on the Krishna River to the city outskirts – a distance of 130 Kms. Three bids were received. One of these bids was subsequently determined

non-responsive.

The Government appointed a Negotiation Committee which invited both the remaining bidders for discussions, in August/September, 1996. After detailed discussions, the Negotiation Committee found that the rates quoted were far higher than what it would cost the Board if it undertook the project itself. The Government therefore rejected both the bids and resolved that HMWSSB would implement the project directly. The project was posed to World Bank mission which visited Hyderabad in the 1st week of November, 1996. Revised project proposals have also been sent to Government of India and formally posed to the World Bank. The Board is now preparing the Project Preparation Plan and Project Implementation Plan for consideration by the World Bank. The loan is expected to be sanctioned by November, 1997. We expect the loan to be effective by January, 1998.

Mutual exchange of ideas with sister utility organizations

During the year, executives from Bangalore Water Supply and Sewerage Board, Mumbai Municipal Corporation and Maharashtra Water Supply & Sewerage Board visited Hyderabad for an exchange of ideas and sharing of views. Our staff visited Chennai Water Supply & Sewerage Board and Madurai Municipal Corporation for a similar purpose. We look forward to such continued dialogue with our sister utility organizations in the country for mutual benefit.

Employee relations

During the year under review relations with the employees continued to be cordial. On behalf of the Board, I thank all of them for their cooperation and support during the year.

Auditors

Government of Andhra Pradesh have entrusted the audit of all the accounts to the Comptroller and Auditor General for a further period of 5 years commencing from the financial year 1995-96. Accordingly, the audit was conducted by the Principal Accountant General, Andhra Pradesh. As in previous years, there were no comments on the accounts for the year 1995-96.

Acknowledgement

On behalf of the Board, I am grateful to the Government of Andhra Pradesh, Government of India, The World Bank, HUDCO and LIC for their unfailing support, encouragement and counsel during the year.

Hyderabad
24.12.1996

V. Bhaskar, IAS
Managing Director

Abatement of pollution in Hussain Sagar lake

Projects Under Execution

Built in 1562, during the reign Ibrahim Quli Qutub Shah, Hussain Sagar lake was once the drinking water source for Hyderabad. Named after Hussain Shah Wali, a Muslim saint, the lake is fed by 4 inlet nallahs. The lake has an area of 6.5 sq.km. and presents a beautiful sight especially in the evenings.

Over the last few decades the flow of industrial and domestic effluents has polluted the lake. HMWSSB has undertaken the project to rejuvenate the lake with assistance from the World Bank.

All the inlets into the lake will be diverted into the sewerage system and a Treatment Plant will be setup on the banks of the lake to maintain its hydrology.

Works Completed

Diversion of 50 MLD industrial effluents and domestic sewage coming from industrial areas of Jeedimetla, Balanagar and Fathnagar through the Kukatpally nallah.

- ◆ Diversion of 20 MLD domestic sewage draining the areas of Sanatnagar, Balkampet, S.R.

Nagar, through Kuktpally nallah into duplicate K&S main at Prakash Nagar.

Works in Progress

- ◆ Diversion of 5.7 MLD domestic sewage coming from Cantonment area through Picket nallah into duplicate K&S main at Minister's Road.
- ◆ Diversion of Banjara nallah flows of 6 MLD draining the areas of Banjara Hills, Punjagutta, Somajiguda into the proposed 20 MLD Sewage treatment plant through 'A' main.
- ◆ Diversion and pumping of Balkapur Channel flows of about 13.3 MLD draining the areas of Khairatabad and Chintalbasti combined with Banjara nallah flow coming through duplicate 'A' main into 20 MLD sewage treatment plant.
- ◆ Construction of 20 MLD capacity sewage treatment plant beside Khairatabad ROB.
- ◆ The treated water will be let out into the lake to maintain the hydrology of the lake.
- ◆ Laying of 1600/1800 mm. Dia duplicate 'A' main sewer (length: 5.4 Kms.) from Yousufguda nallah designed to sewer effluents (100 MLD) from the areas adjoining to Yousufguda nallah, Banjara nallah and Balkapur channel.
- ◆ Improvements to sewerage systems by laying K-51 main and laying sewers down stream of **Banjara system, house connections, pumping arrangements.**

All the works will be completed by 31.3.1998.

Action Plan for Unaccounted for Water Management

Unaccounted for water comprises of (I) Physical losses and (ii) Revenue losses.

Physical losses can be divided into I) transmission losses ii) losses due to reservoir leakages iii) losses in the distribution network and iv) losses in the service connection. Physical losses can be quantified and pinpointed through the installation of bulk flow meters at strategic points in the network.

The board has so far installed fifty eight (58) bulk flow meters in its systems. It will install another fifteen (15) by next year. These 73 meters will enable us to identify sources of physical water leakage.

Distribution mains leakages are being located through the use of leak detection equipment including leak detectors and electronic leak noise correlates. A significant amount of leakage is found at the consumer service connection prior to the meter. The consumer presently has no initiative to reduce this leakage as he is not billed for it. The Board has therefore taken over the responsibility of maintenance of the consumer connection up to the meter. It is already replacing leaking GI connection pipes with longer lasting MDPE pipes. It is also proposed to replace the entire 2,50,000 consumer meters with more accurate ISO type meters over the next three years.

Revenue losses are due to: (I) non-metering (ii) under metering (iii) illegal connections. The Board discourages un-metered connections by levying a very high meter accuracy, the Board's experienced with the present meters available in the market is not happy. These meters are not accurate enough, frequently go out of order due to clogging of the gear mechanism and are susceptible to tampering. Recognizing this, the Indian Standards Organization has modified the standards in favor of A & B class meters with effect from 1997. HMWSSB has already adopted the new standards as per revised ISO specifications.

The Board has identified 250 bulk consumers with large water demands. Their meters will be replaced with the inferential magnetic full bore bulk consumer meters by December, 1997. Already 125 meters have been replaced leading to a more accurate metering of the amount of water consumed. To control illegal connections, the Board has recently taken on deputation six Police Personnel to assist the Board in detection and removal of illegal connections. During 1996, 1003 illegal connections were detected and regularized.

Water audit has now commenced Division Wise in the Board. The total amount of water supplied to a division is ascertained through the bulk flow meter readings. This is compared with the total

number of units billed to all the consumers in that division from the revenue billing software. The difference is identified as unaccounted slow and time consuming, as accountability for water volumes in field level staff has been introduced for the first time. The Board to reduce this gap. The work is been introduced for the first time. The Board is determined to put in all its efforts to press forward with this sensitive program to improve its overall efficiency through cost reduction and generation of additional revenue.

Audited Accounts for the year 1995 - 96 and Financial Highlights for the years 1989 - 1996

AUDIT CERTIFICATE

I have examined the Receipt & Payment Account, Income & Expenditure Account for the year ended 31st March, 1996 and the Balance Sheet as on 31st March, 1996 of Hyderabad Metropolitan Water Supply & Sewerage Board. I have obtained all the information and explanations that i have required, and subject to the observations in the appended Audit Report, i certify, s a result of my audit that, in my opinion, these accounts and Balance Sheet are properly drawn up so as to exhibit a true and fair view of the State of affairs of the Hyderabad Metropolitan Water Supply & Sewerage Board according to best of information and explanations given to me and as shown by the books of the organisation.

Hyderabad
Date: 24-12-96

S.Lakshmi Narayanan
Principal Accountant General

Audit Report on the accounts of Hyderabad Metropolitan Water Supply & Sewerage Board for the year 1995-96

Introduction

The Metropolitan Water Supply and Sewerage Board was constituted by an Act of legislature (Act No.15 of 1989) for provision of water supply and sewerage treatment in the Hyderabad Metropolitan Area and for matters connected therewith and it came into being with effect from 1.11.1989.

The audit of the Board was conducted under Section 20(1) of the Controller and Auditor General's (DPC) Act,1971.

The Source of receipts of the Board were grants from the Government of Andhra Pradesh, Loans from Government of Andhra Pradesh and other operational revenues.

Summary of Receipts and Payments

A summary of the receipts and payments of the Board for the year 1995-96 is given below:

Receipts	Rupees in Lakhs
Opening balance	2800.87
Grants from Govt. of A.P.	3476.15
Loans from Govt. of A.P	1638.00
Receipts from consumers	5940.78
Receipts from deposit works	611.97
Other receipts	280.03
Total	14747.80

Payments	Rupees in Lakhs
Expenditure on deposit works	3700.55
Office and other miscellaneous expenditure	3793.54
Assets and Repairs and Maintenance	1921.98
Payment to R&R Scheme	200.00
Repayment of LIC Loan	18.54
Interest to LIC and HUDCO	139.09
Chemicals consumed	96.44
Power and Electricity	2294.09
Legal charges and bank Charges	364.66
Closing balance	2218.91
Total	14747.80

Finances of the Board

The expenditure incurred by the Board on various schemes was met mainly from World Bank assistance as well as grants and loans received from the Government of Andhra Pradesh.

Hyderabad

Date: 24-12-1996

S.Lakshmi Narayanan
Principal Accountant General

Balance Sheet as on 31st March, 1996

Particulars	Sch Ref.	(Rs.)	Current Year (Rs.)	Prev. Year (Rs.)
NET WORTH				
Contribution from GOAP			1,368,561,496	1,368,561,496
Towards net value of assets			1,313,595,000	1,067,630,000
In cash by way of Grants-in-aid			282,298	282,298
Improvement Reserve			2,682,438,794	2436473794
			(21,643,953)	11,596,117
Add/less: Cumulative Balance of Income over Expenditure			2,660,794,841	2,448,069,911
TOTAL	1			
REPRESENTED BY				2,568,072,251
Fixed Assets		2,803,360,882		82,478,130
		113,651,913		2,485,594,121
At cost		2,689,708,969	3,580,709,390	522,471,087
Less: Depreciation		891,000,421		3,008,065,208
Net Depreciated Value			50,079,745	
Capital Work in Progress			302,756,155	51,235,558
	2		221,891,322	275,720,218
Current Assets, Loans and Advances	3		60,058,882	280,087,151
Inventories			634,786,104	70,354,402

Sundry Debtors				677,397,329
Cash and Bank Balances				
Loans and Advances	4		87,776,361	391,647,171
			-----	285,750,158
			3,668,485,751	-----
		547,009,743	-----	3,293,815,366
Less: Current Liabilities And Provisions			920,200,000	-----
Net Current Assets			37,090,910	756,400,000
			50,400,000	38,945,455
			-----	50,400,000
Total	11		1,007,690,910	-----
Less: LIABILITIES			-----	845,745,455
Loan from Govt. of A.P.			2,660,794,841	-----
Loan from LIC			-----	2,448,069,911
Loan from HUDCO			-----	-----
Total				
Notes Accounts				

On behalf of the Board

Hyderabad
09-12-1996

(G.K.Rao)
Director (Finance)

(V.Bhaskar)
Managing Director

Income and expenditure Account for the year ended 31st March 1996

Particulars	Sch.Ref.	Current Year (Rs.)	Prev.Year (Rs.)
INCOME			
Water & Sewerage cess		562,905,992	
New connection charges		58,208,000	544,455,788
Interest		11,916,665	33,569,140
Others		11,615,074	3,295,918
			14,958,528
TOTAL		644,645,731	596,279,374
EXPENDITURE			
		410,795,909	
Operating Expenses		277,719,639	335,357,320
Staff Cost	5	119,211,252	257,540,567
Administration Expenses	6	31,173,783	81,033,636
Depreciation	7	101,835,277	28,613,169
Finance Charges	1	-----	95,876,446
	8	940,735,860	-----
		-----	798,421,138
TOTAL		177,514,869	-----
Less: Expenses capitalised			
Less: Expenses met from Grants	9	85,335,190	145,640,405
Received from Govt. of AP	10	-----	54,167,418
		677,885,801	-----

TOTAL		-----	598,613,315
Excess of Income/(Expenditure)		(33,240,070)	-----
Adj: Upto the end of previous year		11,596,117	(2,333,941)
Carried to Balance Sheet		-----	13,930,028
Notes on Accounts	11	-----	11,596,117

On behalf of the Board

Hyderabad
09-12-1996

(G.K.Rao)
Director (Finance)

(V.Bhaskar)
Managing Director

Schedules annexed to and forming part of the Accounts for the year ended 31st March, 1996

1.Fixed Assets

Sl. Assets No.	Gross Block				Depreciation Block			Depriciated Block	
	As on 31.3.95	Additions	Transfers	As on 31.3.96	Up to 31.3.95	For the Year	Up to 31.3.96	As on 31.3.96	As at 31.3.95
1. Land	84,079,691	25,862,175		109,941,866				29,482,106	29528,75
2. Roads	29,620,315			29,620,315	91,564	46,645	138,209	29,482,106	29,528,75
3. Buildings	99,806,002		4,185,930	103,991,932	6,979,883	1,534,082	8,513,965	95,477,967	92,826,11
4. Bridges & Barrages	25,247,130			25,247,130	3,311,220	628,314	3,939,534	21,307,596	21,935,91
5. Reservoirs	157,450,336			157,450,336	5,558,793	1,583,929	7,142,722	150,317,614	151,901,54
6. Water Pumping Plants	168,645,189	562,516		169,207,705	6,421,970	1,735,541	8,157,511	161,050,194	162,223,21
7. Water Treatment plants	229,333,283		175,320,000	229,333,283	8,439,905	2,495,624	10,935,529	218,397,754	220,893,37
8. Water Pipe Lines	1,616,810,068			1,616,810,068	8,439,905	2,495,624	10,935,529	218,397,754	220,893,37
9. Power Stations & Equip.	53,421,885			55,723,091	32,422,405	12,613,794	45,036,199	1,571,773,869	1,584,387,66
	888,000			888,000	2,416,785	593,933	3,010,718	52,712,373	51,005,10
	1,452,524	2,301,206		176,772,624	102,036	19,350	121,386	766,614	785,96
	62,981,821			69,122,721	61,883	1,412,316	1,474,198	175,298,426	1,390,74
	6,866,433			9,124,789	7,692,154	3,488,032	11,180,186	57,942,535	55,289,66
	31,459,474	6,140,900		50,117,022	3,145,023	1,166,110	4,311,133	4,813,656	3,72,41

10. Sewerage Pumping Plant		2,258,356			5,834,510	3,856,113	9,690,623	40,426,399	25,624,96
		18,657,548							
11. Sewerage Pipe lines									
12. Sewerage Equipment									
13. Vehicles									
14. Other assets									
Total									
	2,568,072,251	55,782,701	179,505,930	2,803,360,882	82,478,130	31,173,783	113,651,913	2,689,708,969	2,485,594,12
Capital Work in Progress		522,834,171							
	225,950,726	25,201,093	4,185,930	4,185,930				815,168,602	296,520,3661
Water Supply			175,320,000	75,831,819				225,950,726	
	296,520,361								
Sewerage									
	522,471,087	548,035,264	179,505,930	891,000,421				891,000,421	522,471,087
Total	3,090,543,338	603,817,965		3,694,361,303	82,478,130	31,173,783	113,651,913	3,580,709,390	3,008,065,208
Total Fixed Assets									

**Schedules forming part of Accounts for the
Year ended 31st March (continued)**

Particulars	Current Year (Rs.)	Prev. Year (Rs.)
Cash and Bank Balance		
Cash on hand	381,031	201,131
Cash at Bank	164,789,092	238,386,020
	56,721,199	415,500,000
	-----	-----

In Fixed Deposits	221,891,322	280,087,151
Total	16,569,134	15,122,375
Loans and Advances	15,652,657	15,901,938
Loans and Advances to Staff	27,837,091	39,330,089
Advances to others	60,058,882	70,354,402
Deposits	1,995,380	2,214,815
Total	101,384,782	105,069,972
Current Liabilities & Provisions	38,133,939	35,044,363
Creditors	405,495,642	249,318,021
Unspent Grants received from Govt. of A.P.	547,009,743	391,647,171
Deposits	235,374,300	209,671,621
Other Liabilities	9,644,308	15,148,544
Total	20,163,414	17,179,549
Operating Expenses	145,613,887	93,357,606
Power	410,795,909	335,357,320
Chemicals	266,415,487	244,210,223
Other Operating Expenses	4,923,036	3,907,845
Repairs & Maintenance of Water Supply & Sewerage Systems	6,381,116	9,422,499
Total	277,719,639	257,540,567
Staff Cost		
Salaries, Wages & Overtime		
Provident Fund		
Staff Welfare Expenses		
Total		

**Schedules forming part of Accounts for the
Year ended 31st March 1996 (Continued)**

Particulars	Current Year (Rs.)	Prev. Year (Rs.)
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Administration and other expenses			
Rents		176,465	86,066
Licences, Taxes and Fees		732,959	4,139,574
Travelling and Conveyance		2,789,059	2,197,780
Printing and Stationery		6,021,971	4,071,645
Postage, telegrams and telephones		2,937,360	2,843,771
Advertisements & Tender Notifications		10,335,686	3,352,991
Legal & Professional Charges		36,346,528	15,708,579
Insurance		1,345,871	991,752
Afforestation Expenses		4,590,391	2,973,771
Audit Fees		264,865	198,435
Vehicle Maintenance			
Diesel and Petro l	7,948,714		9,413,343
Hire Charges	30,939,539		21,969,489
Repairs	5,003,983		4,381,765
		43,883,236	
			35,764,597
Repairs and Maintenance			
Buildings	5,450,805		4,263,249
Others	2,512,515	7,963,320	2,852,021
		1,823,541	7,115,270
Miscellaneous Expenses			1,589,405
Total		119,211,252	81,033,636
		87,855,616	85,277,000
		13,859,726	10,511,192
		119,935	88,254
Finance Charges		101,835,277	95,876,446
Interest to Govt. of A.P.			
Interest to LIC & HUDCO			
Bank Charges		70,354	397,909
		20,728,386	22,558,764
Total		512,454	1,929,155
		473,549	518,417
		8,083,496	2,923,745
Amounts Capitalised			
Power			1,032,936
Salaries & Wages			9,120
Staff welfare expenses			
Travelling & Conveyance			
Advertisement & Tenders			
Vehicle Maintenance Expenses			
Diesel & Petrol	754,314		
Hire Chargers	15,815		

**Schedules forming part of Accounts for the
Year ended 31st March (continued)**

Particulars	Current Year (Rs.)	Prev. Year (Rs.)
Amounts Capitalised (Contd.,)		
R,epairs	776,772	1,032,953
Printing & Stationery	1,546,901	2,075,009
Postage, Telegrams & Telephones	1,205,740	1,332,501
Repairs & Maintenance	259,581	254,001

Buildings	183,373		219,008
Others	5,363,807		1,077,554
		5,552,80	1,296,562
Legal & Professional Fees		35,926,957	15,406,625
Finance Charges		101,789,688	95,814,621
Miscellaneous Expenditure		1,365,583	1,133,096
Total		117,514,869	145,640,405
Expenses met out of Grants			
		2,772,161	3,508,444
Salaries & Wages		93,926	55,182
Staff Welfare Expenses			24,530
Travelling & Conveyance		24,824	
Vehicle Maintenance Expenses			
Diesel & Petrol	116,460		2,239,307
Hire Charges	21,241,913		21,808,401
Repairs	58,253		102,058
		21,416,626	
		9,077	
		9,632	24,149,766
Printing & Stationery			7,661
Postage, Telegrams & Telephones			13,986
Repairs & Maintenance			
Borewells	11,560,729		9,149,524
Pipelines	37,154,043	60,947,651	16,189,136
Other	12,232,879	1,800	1,001,478
		59,493	26,340,138
Legal & Professional Fees		85,335,190	67,711
Miscellaneous Expenses			
<i>Total</i>			54,167,418

**Schedules forming part of accounts for the year ended
31st March 1996 (continued)**

11. Notes on Accounts

1. The Hyderabad Metropolitan Water Supply & Sewerage Board (therein after referred to as "Board") has come

Into existence by an enactment (Hyderabad Metropolitan Water Supply and Sewerage Act, 1989) of Government of Andhra Pradesh (XV of 1989). As per the provisions of the said Act, all assets, liabilities, rights and obligations of the erstwhile Hyderabad Metro Water Works Department of Government (therein after referred to as 'Department') vest with the Board.

2. A) The assets and liabilities of the Department including sundry debtors and current liabilities as on 1st November 1989 to the extent identified and/or ascertained were taken into account by assigning an estimated value and wherever book values are available the same are adopted.
- b) Since identification as well as ascertainment of the extent and value of certain assets like land, distribution pipelines, sewerage pipelines, vehicles, furniture, etc. is in progress, the same are yet to be taken into account.
- c) The net worth of the Department ascertained as above is treated as contribution by the

Government in kind.

3. Liability on account of retirement benefits to the employees of the department as on transfer date is not ascertained and provided for in the statements. Payments towards pension and other retirement benefits are accounted for as expenditure on cash basis as and when paid.
4. Additions to lands as shown in the fixed assets represent the payments made for lands acquired by the department in earlier year.
5. Accounting Policies: Pending finalisation of the accounting regulations under the Act, the following accounting policies are adopted by the Board for preparation and presentation of the Accounts.
 - a. Depreciation is provided on the assets of the Board as per first Schedule to the Act read with section 14 of the Act. Depreciation is provided for the full year on additions during the year.
 - b. Contributions received from Government of Andhra Pradesh by way of grants for the purposes of execution of projects for creation of capital assets is treated as contributions from Government in cash. Grants received for the other purposes, less utilised during the year out of such grants, is shown as liability as Unspent Grants.
 - c. Expenditure on power, staff cost (excluding retirement benefits) and interest is accounted for on accrual basis and all other revenue expenditure is accounted for on cash basis.
 - d. To the extent of demands raised on consumers for the water supplied during the accounting period are only accounted for as operating revenue irrespective of the quantum of water transmitted.
 - e. Grants and other receipts are accounted for on cash basis.
 - f. Income on centage charges is accounted for on accrual basis.
 - g. Consumer deposits are treated as revenue in the year of receipt and the same are treated as an expenditure on repayment.
 - h. Only payments made for capital works including advances and material purchases are shown as capital work-in-progress till the asset is completed and capitalised.
6. Enhancement of the Borrowing limits of the Board upto Rs.300 crores under section 12(3) of Hyderabad Metropolitan Water supply and Sewerage Act, 1989 has approved. However, necessary Government Notification is awaited.
7. Figures for the previous year are regrouped wherever necessary.

On behalf of the Board

Hyderabad
09-12-1996

(G.K.Rao)
Director (Finance)

(V.Bhaskar)
Managing Director

Receipts and Payments Account for the year ended 31st March 1996

Head of Account	1995-96	
	Receipts (Rs.)	Payments (Rs.)
Opening Balance		
Cash on hand	201,131	
Cash at Bank		
....In current accounts	238,386,020	
....In fixed deposits	<u>41,500,000</u>	
	280,087,151	
Contribution from GOAP		

Loans from GOAP	347,615,000	
Contractors' deposits	163,800,000	
Deposit works	29,120,214	
Additions to fixed assets	32,076,667	51,770,764
Capital work in progress		370,055,553
Advances for expenses	249,281	
Staff advances		1,446,759
Deposits with Govt & other	11,492,998	
Payments to R&R scheme		20,000,000
Repayment of LIC loan-2 nd inst.	535,870,055	1,854,545
Collections (water cess etc)	58,208,000	
Connection charges	7,904,728	
Interest income	8,356,080	
Misc. income & receipts		140,426,647
R & M – machines, pipelines		20,163,414
Other operating expenses		9,644,308
Chemicals consumed		274,878,706
Staff cost		229,408,893
Power & electricity		82,864,724
Administrative expenses		36,346,528
Legal & professional fee		13,908,076
Interest to LIC & HUDCO		119,935
Bank charges		
Closing Balances		381,031
Cash on hand		
Cash at Bank	1,474,780,174	164,789,092
...In Current Accounts		56,721,199
...In Fixed Deposits		
Total		1,474,780,174

On behalf of the Board

Hyderabad
09-12-1996

(G.K.Rao)
Director (Finance)

(V.Bhaskar)
Managing Director

Operating Income and Expenditure Accounts

Particulars	1995-96		1994-95	
	Rs	%	Rs.	%
Gross Revenues				
Water & Sewerage Cess & Charges	621,113,992	96.35	578,024,928	96.94
Other Income	11,615,074	1.80	14,958,528	2.51
Interest	11,916,655	1.85	3,295,918	0.55

Total	644,645,731	100.00	596,279,374	100.00
Expenditure				
Staff cost	253,612,712	39.33	229,489,022	38.48
Power	235,303,946	36.50	209,273,712	35.10
Chemicals	9,644,308	1.50	15,148,544	2.54
Other operating expenses	20,163,414	3.13	17,179,549	2.88
Repairs & Maintenance of Water Supply & Sewerage System	84,666,236	13.13	67,017,468	11.24
Administration & Other Expenses	43,321,402	6.72	31,891,851	5.35
Sub-total	646,715,018	100.32	570,000,146	95.59
Depreciation	31,173,783	4.84	28,613,169	4.80
Total	677,885,801	105.16	598,613,315	100.39
Excess of Income/(Expenditure)	(33,240,070)	-5.16	(2,333,941)	-0.39

Funds Flow Statement

Particulars	1995-96(Rs.)	1994-95(Rs.)
Sources of Funds		
Contribution from Govt for Project	265,965,000	240,585,000
Loans from Govt. of A.P. for Projects	163,800,000	
Loans from LIC of India		
Loans from HUDCO		19,600,000
Grants from Govt of A.P.	81,650,000	135,500,000
Net income before Depreciation	511,415,000	395,685,000
Increase in Liabilities (Deposit Works)		
Decrease in Net Working Capital	28,817,673	26,279,228
	114,645,485	37,505,206
Total	654,878,158	459,469,434
Deployment of Funds		
Net expenditure before Depreciation	2,066,287	
Fixed Assets & Capital Works	603,817,965	295,790,320
Paid to District Collector, Medak	20,000,000	47,800,000
Repayment of Loan Instalments	1,854,545	1,854,545
Expenditure against Grants	85,335,190	54,167,418
Decrease in Liabilities (Deposit Works)		52,301,579

	713,073,987	451,913,862
Increase in Net Working capital	713,073,987	451,913,862
Total	(58,195,829)	7,555,572
Surplus / (-) Deficit		
Opening Cash / Bank Balances	280,087,151	272,531,579
Closing Cash/Bank Balances	221,891,322	280,087,151

Movement of Working Capital

Particulars	1995-96 (Rs.)	1994-95 (Rs.)
Increase in Current Liabilities		
Security Deposits from Contractors	29,120,213	1,608,499
Other Liabilities	101,109,876	90,751,147
Decrease in Current Assets		
Inventories	1,155,813	
Loans & Advances	10,295,520	
Total	141,681,422	92,359,646
Increase in Current Assets		
Inventories		19,616,757
Sundry Debtors	27,035,937	18,137,025
Loans & Advances		17,100,658
Total	27,035,937	54,854,440
	(114,645,485)	(37,505,206)
Increase/(Decrease) in Net Working Capital		

Summarised Balance sheet at a glance as at 31st March

Particulars	1990 Amount (Rs.Lakhs)	1991 Amount (Rs.Lakhs)	1992 Amount (Rs.Lakhs)	1993 Amount (Rs.Lakhs)	1994 Amount (Rs.Lakhs)	1995 Amount (Rs.Lakhs)	1996 Amount (Rs.Lakhs)
NET WORTH CAPITAL							
Contribution from GOAP:	13,601.78	13,601.78	13,601.78	13,601.78	13,685.61	13,685.61	13,685.61
Net value of assets	598.00	2,011.05	3,611.05	6,433.75	8,748.45	10,676.30	13,135.95
In cash by way of Grants-in-aid	14,199.98	15,612.83	17,212.83	20,035.53	22,436.88	24,364.73	26,824.38
Improvement Reserve	(30.10)	(42.60)	(100.91)	(140.17)	139.30	115.96	(216.44)
Add/Less:	14,169.68	15,570.23	17,111.92	19,895.36	22,576.18	24,480.69	26,607.94
Cumulative Balance of Net Income/ (Expenditure)	4,111.11 15.20	4,205.87 54.70	11,054.14 166.19	11,119.57 282.13	25,093.30 538.65	25,680.72 824.78	28,033.61 1,136.52
TOTAL	4,095.91 7,912.95	4,151.017 9,163.23	10,887.95 6,735.15	10,837.44 11,860.60	24,554.65 2,854.23	24,855.78 5,224.71	26,897.09 8,910.00
REPRESENTED BY ASSETS	12,008.86	13,314.40	17,623.10	22,698.04	27,408.88	30,080.65	35,807.09
Fixed Assets							500.80
At cost	52.91	214.46	386.54	497.86	316.19	512.36	3,027.56
Less: Depreciation	1,567.88	1,643.37	1,906.90	2,084.91	2,575.83	2,757.20	2,218.91
Net Depreciation	611.58	1,457.82	903.55	2,574.64	2,725.31	2,800.87	600.59
Value	116.55	152.84	257.04	401.39	532.54	703.54	6,347.86
Capital Work in Progress	2,348.92	3,68.49	3,454.03	5,558.80	6,149.87	6,773.97	5,470.10
	188.10	804.66	1,157.21	2,328.10	2,702.57	3,916.47	
Total Fixed Assets							877.76
	2,160.68	2,2663.83	2,296.82	3,230.70	3,447.30	2,857.50	
Current Assets, Loans and Adv.	14,169.68	15,978.23	19,919.92	25,928.74	30,856.18	32,938.15	36,684.85
Inventories							9,202.00
Sundry Debtors			2,400.00	5,474.00	7,564.00	7,564.00	370.91
Cash and Bank Balances		408.00	408.00	408.00	408.00	389.46	504.00
Loans and Advances	14,169.68	408.00	2,808.00	6,033.38	8,457.46	8,457.46	10,076.91
Sub-Total		15,570.23	17,111.92	19,895.36	24,480.69	24,480.69	
Less: Current							

Liabilities and Provisions							
Net Current Assets							
Total Assets							
Less:							
LIABILITIES							
Loan from Govt. of A.P.							
Loan from LIC							
Loan from HUDCO							
Total Liabilities							
Total							

Summarised Income and Expenditure Account for the year ended 1stMarch

Particulars	1990 Amount (Rs.Lakhs)	1991 Amount (Rs.Lakhs)	1992 Amount (Rs.Lakhs)	1993 Amount (Rs.Lakhs)	1994 Amount (Rs.Lakhs)	1995 Amount (Rs.Lakhs)	1996 Amount (Rs.Lakhs)
INCOME							
Water & Sewerage Cess	907.28	2,210.15	3,292.92	4,013.72	5,053.17	5,444.56	5,629.06

New connection charges		121.85	126.44	161.14	139.56	335.69	582.08
Interest		5.66	70.97	74.63	39.11	32.96	119.17
Others	12.39	175.42	34.76	110.97	147.01	149.58	116.15
TOTAL	919.67	2,513.08	3,525.09	4,360.46	5,378.85	5,962.79	6,446.46
EXPENDITURE							
Operating Expenses	473.98	1,300.84	1,996.08	2,747.90	2,920.11	3,353.57	4,107.96
Staff Cost	474.41	1,352.40	1,599.38	1,830.94	2,240.09	2,575.41	2,777.20
Administrative Expenses	131.02	220.74	342.37	57.77	642.12	810.34	1,192.11
Depreciation	15.20	39.50	111.49	115.94	256.52	286.13	311.74
Finance Charges		0.72	103.68	434.75	805.70	958.76	1,018.35
Total	1,094.61	2,914.20	4,153.00	5,427.30	6,864.54	7,984.21	9,407.36
Less: Expenses Capitalised	90.84	339.34	368.51	927.66	1,264.75	1,456.40	1,775.15
Less: Expenses met from Grants Received from Govt. of A.P	54.00	49.28	201.09	99.92	503.23	541.68	853.35
NET TOTAL	949.77	2,525.58	3,583.40	4,399.72	5,096.56	5,986.13	6,778.86
Excess of Income/ (Expenditure)	(30.10)	(12.50)	(58.31)	(39.26)	282.29	(23.34)	(332.40)
Less: Transfer to Improvement Reserve.					(2.82)		
Adj: Upto the end of previous Year		(30.10)	(42.60)	(100.91)	(140.17)	139.30	115.96
Carried to Balance Sheet	(30.10)	(42.60)	(100.91)	(140.17)	139.30	115.96	(216.44)