

## **REPORT OF THE MANAGING DIRECTOR**

In the year that flowed past, the Board has once again proven itself to be a well-run public service organization. After a respectable and successful tenure in the organization spanning two terms, Mr.V.Bhaskar handed over the baton to me and left for a prestigious assignment in the Central Government. To me, it looked like I was jumping on to a galloping horse. The pace of implementation of the World Bank funded projects had to be kept up.

The water level position in the reservoirs of the Board was on the whole very effect from 1-2-'97. The financial year closed on a positive note registering a surplus of Rs.30.46 lakhs. The good performance has been attributable to the increase in tariff to a large extent

During the year the budgetary support from the government was of the order of Rs.7170.50 lakhs. The Board spent a total amount of Rs. 448.92 lakhs on extension and improvement works.

Amount (Rs in Lakhs)

Gross Income from water cess And other	8,056.23
Net operational Expenditure	7,691.34
Operational surplus	364.89
Less:	
Depreciation	334.43
Net surplus for the year	30.46

The Board also observed 'Consumer Week' in March, '97 coinciding with the World Water Day celebrations. Further, to improve customer It became evident to me that I had to remind our staff that an increase in tariff meant an increase in expectations from the public. While the increase in tariff promises to raise our revenues, the second crucial objective that I began to strive for was to improve our service to the consumers. The staffs were to bear in mind the maxim that "willingness to pay increases with the increase in the quality of service rendered by any utility". To strengthen the internal reporting systems and ensure accountability, the staff of the Operations and maintenance Wing adopted a fortnightly reporting system.

service, the staff of the grievance redressal department has begun to issue token numbers to all

### **Rainfall in catchment areas of main reservoirs**

District	Normal Per Year	1994-1995 Actual	1995-1996 Actual	1996-1997 Actual	Jun 97	Nov 97 To Normal Actual
Hyderabad	845	850	1056	971	758	564
Ranga Reddy	812	723	924	877	735	542
Medak	959	861	996	973	895	600

The complaints received in the offices. Advertisements were published in the daily newspapers about the issue of token numbers. The revenue billing centers were also made more consumers friendly. These centers were used to convey consumer related information.

I had the privilege of receiving Mr.Gautam Kaji, Managing director of the World Bank in April 1997. His comments, after the site inspections and interaction with the Directors were very encouraging. Mr. Edwin Lim, Country Director, World Bank Office, India, visited the Board along with the Managing Director of the World Bank and subsequently, also separately.

Mr. Julius Muli, Vice – President Of The World Bank Was another important visitor to the Board. Mr. Mui was highly impressed with the modern accrual system of accounting that the Board had come to maintain. We also received the Supervisory Mission Of the ongoing World Bank Project and the

Preparatory and Pre-Appraisal Missions connected with the Second Hyderabad Water supply and Sanitation Project.

We had visitors from our fellow public utility organizations like the Mumbai water Board, the Maharashtra Rural Water Project, the Jaipur Water Board etc. Interaction with these teams resulted in a very fruitful exchange of ideas.

The Board received, for the first time, a national award for well presented accounts. We have expressed our grateful thanks to the Accountant General, A.P. Circle for their guidance in preparation and submission of Accounts. The Board employees celebrated the 8<sup>th</sup> anniversary of HMWSSB'S formation. Various competitions in sport and games were conducted on this occasion. The Board's staff participated in all the training programs enthusiastically.

Due to the failure of both the south – West and the North-East monsoons, may be due to the El Nino effect, the Board had to introduce alternate day water supply in the Twin Cities. The whole distribution system was divided into two zones for this purpose. Adequate attention of the consumers was drawn to the arrangements made in this connection. The plans prepared by the Board to face the contingency revealed that we can supply only 95 million gallons of water a day till the onset of the next South-West monsoon.

The recognized Employees Union organized a Seminar on " Responsibilities of Employees to Consumers". Indeed a very timely and rare event to be witnessed in any public utility organization. A point to be noted is that not even one of the many speakers in the Seminar spoke about any demands.

The various activities of the Board are brought out through the Reports of OPERATIONAL DIRECTORS OF THE Board that follow. THE OPERATIONAL REVIEW DEPICTS THE PERFORMANCE OF THE Board. It is heartening to note that the efforts launched by the Board in reducing the unaccounted for water in the service area have received a lot of coverage in the media. To demonstrate the benefits of focused efforts in a smaller area, in some Sections of the Board the Officers implemented the Program of Unaccounted for Water Management (UFW) with great success. The efforts of Jahanuma and Chikkadpally divisions of the Board are in particular laudable. Similarly, in expanding the water supply network in L.B.Nagar municipal area, the initiatives of the staff concerned are praiseworthy.

I wish to convey my sense of appreciation to all the staff for their unstinted support and cooperation. I wish to particularly pay tributes to the services rendered by the employees who retired this year. The Board pays its condolences to those who passed away. My sincere thanks to the director and Faculty of RCUES. I also wish to thank the Directors of the board for their support and guidance.

My sincere thanks to other government departments like the Traffic Police, Commissioner and Director, Municipal ADMINISTRATION ENGINEER IN CHIEF, Public Health and other bodies like HUDA, MCH, APSED AND APPCB.

## **WATER SUPPLY MAINTENANCE**

The water supply to the twin cities from 01.05.1996 was 145 mgd. Due to failure of monsoon in the year 1997, and the resultant insufficient inflows in the reservoirs, water supply on alternate days was resorted to from 23.10.1997, thus curtailing the drawal of water from 145 mgd to 95 mgd.

Unlike in the past years when there were inflows in the Singur dam during the months of November and December DUE TO DELAYED MONSOONS AND CYCLONIC STORMS, THERE WERE no inflows in 1997. As a result, the drawals from Himayatsagar and Osmansagar are only about 30% OF THE TOTAL QUANTITY OF THE 95 mgd supplied to the twin cities, and the major supply of 70% quantity is from Singur dam.

The challenge before the Board has therefore been to maintain minimum supplies to the consumers till the onset of monsoon in 1998.

## TAPPING NEW RESOURCES

To augment the existing and available sources, the BOARD IS SUPPLEMENTING water supply through borewells by tapping ground water. There are 5265 borewells of 4 ½' dia spread over the twin cities. Borewells, when damaged are repaired without delay to ensure uninterrupted draws.

### The available storage in the sources of water supply to the twin cities

Sl.No.	Source	Full reservoir level	Capacity TMC	Level as on 1-12-97	Capacity TMC	Level as on 1-12-97	Capacity TMC
1.	Osmansagar	1790.00	3.726	1774.20	1.760	1790.00	3.726
2.	Himayatsagar	1763.50	2.967	1745.42	0.682	1757.22	1.897
3.	Singur	<u>171.40</u> <u>523.60</u>	30.00	<u>1702.97</u> <u>519.20</u>	12.284	1713.80 22.5.	24.060
4.	Manjira	1651.75	1.500	1646.10	0.613	1651.75	1.500
	<b>Total</b>				<b>15.339</b>		<b>31.183</b>

### The details of earlier and present draws as on 23.10.97

Sl. No	Source	Installed Capacity	Increased Supply From 1.5.96	Alternate day Supply From 23.10.97
1.	Osmansagar	25 mgd	25 mgd	20 mgd
2.	Himayatsagar	20 mgd	15 mgd	5 mgd
3.	Singur (III) M.WSS Phase III & IV (IV)	30 mgd 30 mgd	30 mgd 30 mgd	
4.	M.W.SS Phase I and II (Barrage) (III)	15 mgd 30 mgd	15 mgd 30 mgd	70 mgd
	<b>Total</b>	<b>150 mgd</b>	<b>145 mgd</b>	<b>95 mgd</b>

To supply water to ill served and unserved areas, 116 mobile water tankers have been deployed by the Board. To meet the demands of summer of 1998, the Board proposes to employ private tankers to supply water particularly to these areas. There are 4,812 Public Stand Posts spread over the whole of twin cities through which water is supplied free of cost to the public. 27 Group PSPs have also been erected by the Board. These are in addition to about 2.79 lakh house service connections existing as of December 1997. The Board is also strengthening the system of water supply through static water supply tanks so that during the ensuing summer months the Board tankers can fill up the static tanks for the

convenience of the public.

## **WATER SUPPLY TO NINE SURROUNDING MUNICIPALITIES**

The Board is supplying water in bulk quantity to the Nine surrounding Municipalities, and to en route villages from the Manjira Water Supply System. The Board has taken over the water supply system of L.B.Nagar Municipality w.e.f 1.11.96. Water supply systems of Kukatpally and Qutbnallapur Municipalities are being maintained by the staff of HMWSSB and the concerned Municipality working in tandem. The water supply systems of the remaining six Municipalities are being maintained by the respective Municipalities. The Board is currently supplying 8.21 mgd of water to the surrounding Municipalities. This is of 57% Compared to supplies made in 1995-96.

## **ORGANISED COMPLAINTS REDRESSAL SYSTEMS**

The Board has established Complaint Cells in all the division offices apart from a Central Complaint Cell in the Board headquarters at Khairatabad. Consumers have been invited to register their complaints on telephone or personally in these Complaint Cells.

As a part of its efforts to ensure speedy redressal of complaints and also to ensure that every complaint is attended to, the Board has introduced a 'Token Number' system the complaints are immediately attended to and senior officials regularly Monitor The Complaints At Every Level on a daily and a weekly basis.

If any complaint is not attended to within a week, the consumer is encouraged to contact the higher officials including the Managing Director.

On an average, about 5,000 complaints relating to water supply, and 16,000 relating to sewerage are received and attended to every month.

## **MASS MEDIA REFLECTION – BOUQUETS & BRICKBATS,**

As in the case of any public utility service organization, the Board is always under scrutiny by the media. The media is also used by consumers for highlighting their problems relating to water supply and sewage disposal. The newspapers periodically highlight such problems, which are immediately attended to by the Board. Wherever clarifications or public understanding and cooperation are required, the Board also uses the newspaper columns as a channel of communication.

The Board welcomes criticism to correct any functional deficiency and at the same time not remaining complacent when it gets 'bouquets' from the media.

## **CONSUMER EMPOWERMENT MEASURES**

The Board encourages the consumers to have their old meters replaced with the new ISO digital meters, which enable them to read the meters themselves.

## **MINIMIZING WATER WASTAGE AND CONTROL OF UNACCOUNTED FOR WATER:**

In order to curtail the loss of water through pipeline and house service connections, a separate Division of Unaccounted for Water Management (UFW) has been formed. The Division is conducting area-wise campaigns to replace damaged pipes and consumer service lines as a part of the program. The consumers are provided with water meters of ISO standards to ensure proper billing of water supply. THE VIGILANCE Division of the Board, the Board's own police wing and divisional squads are conducting regular checks for detecting and regular checks for detecting and regularizing /disconnecting illegal water supply connections. A separate chapter on UFW provides information on the extent of the problem and remedial action planned and being taken.

## **SURVEILLANCE AND TESTING**

Water quality maintenance is naturally a high priority area for HMWSSB. Quality monitoring is done right from the sources, to the consumer point, covering treatment works and service

reservoirs.

It is gratifying that all the chemical parameters of raw water from the sources viz., HIMAYATHSAGAR, Osmansagar, Manjira and Singur are well within the permissible limits of Indian drinking water standards except for Manjira River where moderate to high turbidity is experienced during monsoon months. The bacterial load of sources is also low except in Manjira River where it varies seasonally.

#### SAMPLING METHOD

Samples are collected every day by the Quality Assurance and Testing Unit of the Board comprising of 20 sample takers. Each taker is assigned a specific area especially covering slums, tail ends and other vulnerable disease prone areas to check for the presence of residual chlorine is absent, samples are again collected and examined for bacteriological quality.

About 250 to 300 samples are examined every day and rectification is done instantly wherever needed.

#### WATER QUALITY MONITORING- a continuous process

Apart from internal monitoring by HMWSSB's Quality Control Unit other agencies such as IPM and MCH are extending their cooperation in external monitoring of the quality of water supplied in the twin cities. This is done by collecting samples extensively and identifying pollution points and appraising the Board's Engg. Staff for remedial action.

#### Internal and External Monitoring of Water Supplied: Systems followed

- Analysis of raw, filtered and treated water from all water supply sources on a daily basis, for chemical and bacteriological quality.
- Collection and analysis of samples from the entire distribution system in the twin cities every day, from specified points.
- Coordination with IPM and MCH for carrying out external monitoring of unwholesome water and rectifying after ascertaining the causes of pollution.
- Identifying the sources of pollution in the distribution system through Sanitary surveys and analytical examination.
- Reevaluation of quality after rectification of pollution.
- Constant checking of the quality of chemicals used for water treatment.
- Periodical analysis of filter media in all the filter beds viz.

Asifnagar filter beds; MRG filter; Rajampet; Kalabgur filter; Peddapur Phase III and Peddapur Phase IV

- Day to day collection of data on reported cases relating to water borne diseases like gastroenteritis and cholera from the Institute of Tropical DISEASES (Fever Hospital), Niloufer HOSPITAL AND Golconda Hospital, and intensifying monitoring in those areas from where such incidence are reported.

#### Functions of Laboratories confined to the treatment plants

- Conducting routine chemical analysis daily
- Prescribing optimum doses of Alum
- Fixing the chlorine demand
- Evaluating the residual chlorine

#### Door to Door Epidemiological Investigation

Door-to-door epidemiological investigation is regularly carried out by the Board staff for ascertaining.

- Whether there is protected water supply connection to the premises where the incidence has occurred.
- Whether the water supply connection is safe or damaged

(Like leakages' crossing of drain, pit taps and so on).

- Whether adequate residual chlorine is present in the water supply.
  - Whether such occurrence is repetitive in the area.
  - Whether any alternative source of water supply is available to the premises.
  - General sanitary conditions in and around the premises
- Samples are collected from the premises of the victim for bacteriological analysis to ascertain whether there is any contamination in the water supply.

The consumers are advised to correct the water supply connections in case they are found to be the sources of contamination.

Water quality monitoring is intensified in areas reporting repeated incidence of water borne diseases and booster chlorination is done at service reservoirs covering such areas to ensure that minimum residual chlorine is present.

Intermittent Water supply has posed further demands on quality control measures. Some of these are:

- Attending to leakage's on war footing
- Ensuring that the water supply connections are far away from storm water or sewer drains
- Removing pit taps by increasing the pressure in the pipelines Prompt replacement of outlived and corroded pipes
- Clearing the choked drains and taking steps to prevent overflows seeping into water supply lines

Water quality maintenance is undertaken with the seriousness that the system needs , to secure the health of the populace.

Impact of Remedial measures taken in controlling pollution in distribution.

On the basis of the reports of laboratory test, field investigations and sanitary surveys, remedial measures are regularly undertaken for rectifying leakage's and other defects in the pipelines. 35 booster Chlorinates have been installed at various service reservoirs and pumps & sump houses to maintain optimum concentration of residual chlorine throughout the distribution system.

Comprehensive investigations have also been conducted to defect the source of pollution in the localities from where incidence of diseases are reported in Fever Hospital. Further measures are regularly taken to protect the pipe water system from such pollution sources. As a result of all these measures, there has been a significant reduction in the incidence of water borne diseases. (See graph)

An Advisor for Quality Control has been appointed by the Board to strengthen the quality control system, provide health education to the consumers by the Board through the involvement of voluntary organizations, training of Operations and Maintenance staff on quality control and pollution prevention measures and so on.

### **DEVELOPING THE INFRASTRUCTURE TO MEET THE GROWING NEEDS**

A four hundred year old city, the fifth largest in India and expected to house a population of 10 million by the year 2021 AD, Hyderabad is a commercially and industrially vibrant center – a great challenge to town planners. Meeting the vital need of potable water for this 'Mega City' and creating a pollution free environment to ensure safe drinking water to the citizens is the challenge before the Hyderabad Metropolitan Water Supply & Sewerage Board (HMWSSB).

HMWSSB is entrusted with the responsibility of providing assured water supply not only to the twin cities of Hyderabad and Secunderabad, but also to the nine surrounding Municipalities. The Board meets this task by planning for the future with a vision.

First Hyderabad Water Supply & Sanitation Project

Since inception, the Board has undertaken several projects with the long term objectives of providing reliable water supply and creating sound sewage disposal system. The biggest project so far has been the First Hyderabad Water Supply & Sanitation Project funded by the World Bank. Commenced in the year 1990 with a project outlay of Rs.2,507 million and likely to go upto Rs.3,500 million due to rupee devaluation, the project is aimed at strengthening the existing water supply distribution and sewerage system built to meet the requirements of the present population apart from meeting the urgency to increase water supply, environmental protection by providing low cost sanitation in the unsewered slum areas of the city and institutional strengthening of the Board.

#### Status of the Project

##### Increased Water Supply – Component 1

Cost: Rs.921 Million

The first component designed to increase water supply 135 MLD from Singur dam on Manjira river, a reliable source, was completed in a record time by December 1993(scheduled for March 1994) and thus became fully operational, increasing the total capacity of water supply to 678 MLD.

##### Improvement and Strengthening of Water supply Distribution System – Component 2

Cost: Rs.1353 Million

This component includes construction of eight storage reservoirs in various parts of the twin cities of 101.50ML capacity, laying trunk mains and distribution mains to a length of about 60 kms. And attending to Unaccounted for Water Management (UFW) works to reduce water losses. The works are in various stages of completion.

##### Low cost sanitation in the un-sewered slum areas of the city – component 4

Cost: Rs.70 Million

The targeted construction of 20,000 Nos. of twin pit pour flush water seal toilets was completed on time and the work is being continued for serving more needy areas which will be completed by March 1998.

##### Rehabilitation & Resettlement of families affected by the Singur Project – Component 5

Cost: Rs.280 Million

This component of the Project deals with resettlement and rehabilitation for the 11,633 affected families due to Singur Reservoir Project being implemented by the Collector of Medak district, under whose jurisdiction the area is located. Work relating to economic rehabilitation and the infrastructure works have been completed for 27 fully submerged villages and economic rehabilitation schemes for 37 partially submerged villages identified in the beginning of the project. Later, five more villages were added for resettlement works and all these schemes are sought to be completed by March 1998.

It is gratifying to note that all the works carried out under this component have been commended by the World Bank and other agencies and in fact are being considered as a model for adoption in similar schemes to be implemented by various other public utility organizations.

#### Institutional strengthening

Imparting training to all the officers and staff and updating the knowledge base are the objectives of the programmes under this component to fulfil the objectives of the Board. There has been a satisfactory progress in this area, the details of which are dealt with in the report of the Director (Personnel) separately.

Various studies numbering about 25 have been taken-up through expert consultants for improving and strengthening the institution in various aspects in the fields of finance, technical and management.

It is indeed remarkable to note that the entire Project will be completed by March 1998, at a revised cost of Rs.3502.60 million.

## Remodeling the Sewerage System

### A. Duplicate Kalasiguda Main

The total length of the sewer line is 2.33 km. Stretching from Regimental Bazaar (near Secunderabad) to Sanjeevaiah Park, near Boats Club. The sewer line is expected to be completed by March, 1999.

### B. Extension of H&L Main

A total length of 1.95 Km. From Yakutpura to Chaderghat (near Kamal Talkies) was completed during the current financial year 1996-97 and the line is in operation from March, 1997.

### C. Duplicate 'A' Main

This sewer line of 4.92 Kms., in Old City starts from Kandikal gate and passes through Yakutpura bridge. The balance works would be completed and the entire sewer line will be commissioned by March, 1998.

### D. Duplicate outfall sewer

This sewer starts from Chaderghat bridge and ends at Amberpet, covering a length of 3.22 Kms. The minor balance length of the sewer pertains to Hussain Sagar surplus nallah crossing at Lingampally would be completed and commissioned during the next financial year.

### E. Sewer line connecting Jeedimetla effluent Treatment Plant and Duplicate K&S Main

The balance work was completed during the current financial year and the total length of 10.39 kms. Is ready for commissioning. This sewer line will help in diverting industrial effluents from Jeedimetla Effluents Treatment Plant to the newly commissioned Duplicate K&S Main. As a result, pollution of the Hussain Sagar lake by the industrial effluents from Jeedimetla will be reduced.

## PLANS TO MEET THE DEMANDS OF THE FUTURE

The Krishna Water Supply Project  
Project Cost: Rs.23,000 Million

The Krishna Water Supply Project is an ambitious scheme to draw water from the foreshore of Nagarjunasagar Reservoir on the river Krishna, 135Kms., from Hyderabad. The objective of this project is to draw water from Krishna river and supply 410 MLD of treated water in the first phase to the twin cities and nine surrounding Municipalities and to further improve the water supply distribution system and increase the storage capacity, apart from strengthening the sewage collection and treatment capacities. The project is expected to be completed by the year 2003. The detailed plans for implementing the project have been prepared. The World Bank assistance has been sought for the project and their technical teams have visited the Board in the month of June'97 and again in the month of November'97. Both the missions found the project viable and important from many angles. The final appraisal team from the World Bank is expected in the month of March, 1998. After the appraisal and sanction the World Bank, the project is expected to take off in the first quarter of the financial year 1998-99. This project will go a long way in meeting the increasing demand for water in the twin cities and neighborhood municipalities.

## THE MEGACITY PROJECT

The Megacity project aims to improve and extend service levels in the MCH areas and the 9 Municipalities surrounding the twin cities of Hyderabad and Secunderabad. It was launched with a total outlay of Rs. 1,120 million, of which financial assistance has been sought from HUDCO to the extent of Rs. 684 million. Under this project, it is proposed to spend on development of water supply and sewerage systems in the nine Municipalities, to extent of Rs.490 Million.

The loan for the project has been sanctioned by the HUDCO and the first installment will be drawn during the current financial year. The Board has already initiated action for award of works for construction of six storage reservoirs of 30 ML capacity each in the surrounding nine



Municipal area.

## HUMAN RESOURCES DEVELOPMENT

To meet the challenges of corporate management and to facilitate the introduction of new technologies, HMWSSB accords utmost importance to human resources development. As a part of the Institutional Strengthening component under the first World Bank Project, the board has drawn up a detailed action plan for imparting training to all categories of employees of the Board.

The training cum performance improvement programmes are aimed at upgrading the skill and knowledge of the officers and staff to achieve proficiency in their field of work. This would ultimately result in enhanced productivity and improved efficiency levels. The training cum performance improvement programmes taken up, cover the core areas of management, technical and financial function.

The training programmes have been divided into two modules viz., Orientation Module and Core Module. Under the Orientation Module, emphasis is laid on making the employees understand the modern concept of management and its relevance to the Board as a commercially viable public utility organization. The areas and subjects covered under this module include motivation techniques, incentives, improvement of work environment, coordination and cooperation and other related subjects apart from giving an insight into the functions of the Board and its importance to the public.

After helping them to understand the basics of management under the core model, the employees are also given comprehensive training in their individual line of activity including field training.

The Board has entered into an M.O.U. with the Regional Center for Urban and Environmental Studies (RCUES) of the Osmania University, Hyderabad to organize and control the training activities of the Board. The faculty is select by the RCUES from among the top professionals in the country. The college of Engineering, Osmania University has been utilized to impart technical training.

In addition to these programmes, there are training programmes for Trainers, an USAID Programme for the managerial cadre and short term courses in India and abroad. A Staff Training Center with all the modern facilities is being developed at the Hydernagar Water Works premises, slated for functioning by April, 1998.

The Board aims at ensuring that training is a continuous process and that every one of the over 6,000 employees is given a minimum of one week training every year.

As a part of the Institutional Strengthening plan, some of the Board officials have visited various countries to facilitate generation of new ideas and implementing them here. Such visits also help in observing and understanding the technological improvements taking place globally.

Over the years, well planned and continuous training has brought about substantial change in the attitudes and behaviour of the employees apart from a radical change in work environment.

Since the commencement of the project in the year 1994, a total of 142 batches covering 1738 employees have been given training.

## MOTIVATION AND ENCOURAGEMENT

The Board has taken a number of steps to encourage and motivate the employees. Union activities are in fact encouraged and for the first time since the formation of the Board, elections were held in the 1997.

Staff welfare is a conscious activity, encouraged and supported by the Management. A number of recreational facilities have been created for the officers and workers, to encourage them to participate in sports, games and cultural activities.

The Janmabhoomi programme witnessed the officers and employees enthusiastically

Participate in several activities.

The first ever medical camp on 'Eye screening and Blood Donation' was organized by the Board in association with the Lions Club of Hyderabad (Prashanth) for the Board employees and their family members. 40 cases of cataract were detected for free operation later. Another medical camp on dental care was organized jointly by the Board and the Lions Club of Hyderabad on 12<sup>th</sup> November, 1997 when a 12 member team of dental experts attended to about 300 cases.

STATUS OF TRAINING PROGRAMMES AS ON 30<sup>th</sup> NOV.1997.

TABLE-----

### **MAJOR EVENTS – 1996-97**

April 1996

The HMWSSB sets up Central Complaint Cells at division level & Head Office for redressal of complaints of consumers.

July 1996

1. HMWSSB launches a month long drive starting 8<sup>th</sup> July to disconnect pit taps in the twin cities to prevent pollution
2. Minister for Municipal Administration and Urban Development Mr. T. Sitaram, reviews the overall functioning of the Board on 25<sup>th</sup> July.

August 1996

The Board employees celebrate the 49<sup>th</sup> Indian Independence Day.  
September 1996

1. The Board organizes a three day plantation programme in various offices from 5<sup>th</sup> September 1996. About 5000 saplings are planted.
2. The Board issues the Musi flood warning in view of alarming increase in inflows into Osmansagar reservoir due to continuous rains.

November 1996

The Board takes over the water supply system of L.B. Nagar Municipality.

December 1996

Police outposts are created to step up vigilance.

January 1997

1. The Board takes over the water supply systems of Qutbullapur and Kukatpally municipalities on 1<sup>st</sup> January.
2. HMWSSB participates in 'Janmabhoomi' programme.
3. HMWSSB's stall is opened at the All India Industrial Exhibition on 20<sup>th</sup> January by the Hon'ble Minister for Municipal administration Mr.B.satyanarayana Murthy.

February 1997

1. The HMWSSB services the water supply tariff, sewerage cess and connection charges with effect from 1st February.
2. Mr.L.V.Subrahmanyam, IAS assumes charge as Managing Director of HMWSSB on the 10th.

March 1997

1. HMWSSB keeps open all the cash counters on second Saturday and all Sundays in March 1997, for the convenience of consumers.
2. HMWSSB celebrates the 'World Water Day' by organizing a 'consumer service week' from the 22<sup>nd</sup>. During the week the Director (Tech.) and other senior officers make themselves available to the public at various offices of the Board to attend to solve their problems. On

28<sup>th</sup> March a meeting to mark the 'World Water Day' was organized.

April 1997

The Managing Director of the World Bank Mr.Goutham S.Kaji visits the Board on 15<sup>th</sup> April. He holds detailed discussions with the Managing Director and other Directors of the Board and reviews the progress of the ongoing World Bank aided project – "First Hyderabad Water Supply & Sanitation Project"

May 1997

1. Hon'ble Minister for Municipal Administration, Mr. B. Satyanarayana Murthy, inaugurates the 7.5 million liter reservoir at Chilkalguda constructed with World bank Aid, on 10<sup>th</sup> May.
2. The Vice-President and Controller, World Bank, Mr.J.W.Muis, visits the Board on 13<sup>th</sup> May. He holds detailed discussions with the Managing Director and other Directors of the Board and reviews the progress of the ongoing World Bank aided projects.

July 1997

The World Bank Preparatory Mission visits the Board on 23<sup>rd</sup> July. The Mission holds discussions on the Second Hyderabad Water Supply & sanitation Project & Krishna water Supply Project with the Government & Board officials.

August 1997

1. The Board participates in the third phase of 'Janmabhoomi' programme'. Mr. L.V. Subrahmanyam, Managing Director, leads the officers and staff members of the Board in 'Janmabhoomi' programme by undertaking tree plantation at Khairatabad, Goshmahal and Chilkalguda reservoir premises.
2. HMWSSB celebrates the Golden Jubilee of Independence Day on 15<sup>th</sup> August.

September 1997

1. A high level Coordination Committee meeting is held in Board office on the 1<sup>st</sup>. The Commissioner of Police, Hyderabad, Managing Director, HMWSSB. Hyderabad District Collector, Director (Projects), Director (Finance), Director (Technical), HMWSSB, Chief Engineer M.C.H. Participate in the meeting.
2. A Meeting of Board of directors of HMWSSB under the Chairmanship of Hon'ble Chief Minister Mr.N.Chandrababu Naidu, is held on 10<sup>th</sup> September
3. Hon'ble Chief Minister Mr.N.Chandrababu Naidu launches the Rs.112 crore Water Supply Improvements Project in the twin cities and surrounding municipalities on 29<sup>th</sup>.
4. A World Bank team led by Mr. Vivek Bharathi, Advisor-External Affairs, along with a 15 member group of Indian and Foreign journalists visit the Board on 30<sup>th</sup> September.

October 1997

1. A one day seminar on 'Drinking Water Quality Control and Monitoring' is organized jointly by HMWSSB, RCEUS and University College of Engineering, Osmania University on 18.10.97. A paper on 'Microbiological Health Risks of drinking water in Hyderabad City' is presented on the occasion jointly by Dr.J.C.Mohanty IAS and Mr.Timothy E.Ford.
2. A maiden medical camp on 'Eye Screening and Blood Donation' is organized by HMWSSB and the Lions Club of Hyderabad (Prashanth) for board employees and their family members. About 1000 employees participate in the camp. 40 cases of eye cataract are detected and operated free of cost.
3. Due to inadequate inflows into the drinking water sources during the current monsoon, the Board resorts to alternate day water supply from 23<sup>rd</sup> October.
4. Sports and cultural competitions are organized in HMWSSB for employees (after a gap of six year) from 22<sup>nd</sup> October to 1<sup>st</sup> November, to mark the 8<sup>th</sup> Anniversary of the Board.

November 1997

1. 8<sup>th</sup> Anniversary Celebrations held on 1<sup>st</sup> November.
2. A medical camp on Dentistry is organized jointly by HMWSSB and Lions Club of Hyderabad (Prashanth) for the benefit of Board employees and their family members on 12<sup>th</sup> November. A 12 member team of Dental experts led by Dr.Raja Babu, Assistant Professor, Osmania Dental College, attends to about 300 patients.
3. A World Bank team led by Ms.Fannie Humplick, Infrastructure Sector Manager, visits HMWSSB. She holds discussions with the Managing Director and other Directors of HMWSSB.

## FINANCIAL MANAGEMENT

The overall operations of the Board during the year 1996-97 were very satisfactory. The water supply on a daily basis was continued for the whole year and the progress of the various plan works was as per schedule.

### Financial Results

After an unsatisfactory financial performance during the last financial year (1995-96), the financial results for the year 1996-97 were satisfactory. After meeting the expenditure a nominal surplus was generated after providing for depreciation. The summary of the financial results are briefly indicated below:

### Table3

Hyderabad Metropolitan Water Supply and Sewerage Act, 1989 stipulates transfer of certain amount of the annual surplus to the Improvement Reserve Account, whenever the Board makes a net contribution. In line with the requirements of the Act, an amount of Rs.30,459 was appropriated from the above net surplus and transferred to Improvements Reserve Account. Since the surplus for the year is nominal, the cumulative excess expenditure over income till the financial year 1995-96 was reduced by that extent and the net deficit of Rs.186.29 lakhs was carried forward to the Balance Sheet of the Board as on 31<sup>st</sup> March, 1997.

### Finance

During the year under review, HMWSSB received Rs.10,00,00,000 (Rupees ten crore only) towards capital grants and out of which Rs.2,31,50,000(Rupees two crore thirty one lakhs and fifty thousand only) was transferred to the Rehabilitation and Resettlement scheme, being implemented by the District, Govt. of Andhra Pradesh. The Govt. of Andhra Pradesh also released Rs.4,00,00,000(Rupees four crore only) towards various continuing revenue schemes being implemented by HMWSSB.

In order to meet the required capital expenditure on the World Bank Project, the Government of Andhra Pradesh has also released Rs.57,70,00,000 (Rupees fifty seven crore and seventy lakhs only) as loan. As the operations of the Board for the year also resulted on a positive note with a surplus of Rs.30.46 lakhs, there was no dearth of funds for implementing various ongoing schemes.

### Operating Costs

The Graph 'A' shows the percentage of operating expenses of the Board as at present. It may be observed that while maintenance and other expenses are in the region of 15%, cost of power used for water supply and sewerage treatment work out to 42% and the staff costs at 36%.

### Financial disciplines brought about

The Board achieved operational viability from the very first year of its inception. Conversion to Computerized Commercial Accounting system, setting up of a full fledged EDP

Department to facilitate On-line Management Information Systems & Accounting and Computerized Revenue Billing & Collection have helped in ensuring financial autonomy to the Board.

The financial management of the Board with strict fiscal management and a consumer oriented work ethic and timely execution of projects avoiding cost escalations to a maximum extent, have come under praise from the World Bank and other funding Agencies time and again.

The Board is planning a total computerized system interlinking three major areas viz., Complaints Redressal, Billing and Collection related problems and other consumer services like guiding and faster disposal of Applications for connections etc. The response time will thus be minimized.

The Board has initiated several measures to achieve total self reliance in finance, total transparency in management and operations to earn the trust of consumers, employees and public in general with a continuous quest for improvement.

Maintaining tariffs at adequate levels, reduced cross subsidization, reduction in water consumption wastage with increased demand in water supply are some of the action plans initiated by the Board.

#### Loan Administration Change Initiative (LACI)

The World Bank, during June 1997, introduced a Loan Administration Change Initiative (LACI) to make its disbursement process more cost-effective, transparent and responsive to the needs of various borrowers. LACI demonstrates the lumpsum disbursement arrangement based on quarterly Financial Management Reports.

According to the bank, the implementation of new LACI process requires sound financial management tools, effectiveness in development, computerization etc. The Bank has identified about 20 organizations from its prospective borrowers to implement LACI on pilot basis, of which HMWSSB has been selected as one of the two organizations from India, on the basis of its better financial management and systems such as financial accounting, materials management, project planning and control system.

Due to severe drought conditions on account of inadequate rainfall in all major reservoirs of the Board, the operations have to be curtailed. This effects the quantum of water supply and consequently quantum of water and sewerage cell collections. As the tariff was revised w.e.f . 1.2.1997, the financial performance is expected to meet the expenditure for the year 1997-98.

The revenue income from all sources for the current financial year 1997-98 is expected to be around Rs.103 crore. As against this the Board is expected to incur Rs.32 crore towards power cost, Rs.11 crore towards O&M expenditure of water supply and sewerage activities. The operating surplus of Rs.16 crores will be utilized for debt service, being repayment of installment of principal amount and interest accrued on the borrowings from World Bank, HUDCO and LIC.

### **Audit Report on the accounts of the Hyderabad Metropolitan Water Supply & Sewerage Board for the year 1996-97**

#### Introduction

The Hyderabad 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 w.e.f. 11.1989.

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

The source of the 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 1996 – 97 is given bellow:

<b>Receipts</b>	<b>Rupees in Lakhs</b>
-----------------	------------------------

Opening balance	2218.91
Grants from Govt. of A.P	1400.00
Loans from Govt. of A.P	5770.00
Receipts from consumers	6751.64
Receipts from deposit works	659.94
Other receipts	405.51
<b>Total</b>	17206.00
<b>Payments</b>	<b>Rupees in Lakhs</b>
Expenditure on capital works	6119.46
Additions to Fixed Assets	114.99
Office and other miscellaneous expenditure	3864.03
Assets and Repairs and Maintenance	1174.96
Payment to R&R Scheme	231.50
Payment to L.I.C. Loan	18.55
Interest to LIC and HUDCO	138.35
Chemicals consumed	156.93
Power and Electricity	3224.77
Legal charges and Bank charges	423.68
Closing balanceotal	1738.78
<b>Total</b>	<b>17206.00</b>

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.

Place : Hyderabad  
Date : 09-12-1997  
Accountant General (Audit) I

### Balance Sheet as at 31<sup>st</sup> March, 1997

Particular	Sch. Ref.	(Rs.)	Current Year (Rs.)	Current Year (Rs)
<b>NET WORTH</b>				
Contribution from GOAP towards net value of assets in cash by way of Grants-in-aid			1,368,561,496	1,368,561,46
Improvement Reserve			1,390,445,000	1,313,595,000
			312,757	282,298
			2,759,319,253	2,682,438,794
Less: Cummulative Balance of Income over Expenditure			(18,628,526)	(21,643,953)
<b>TOTAL</b>	1		<b>2,740,690,727</b>	<b>2,660,794,841</b>
<b>REPRESENTED BY</b>		2,952,683,127		
<b>Fixed Assets</b>		147,094,644		
At cost		2,805,588,483		2,803,360,882
Less: Depreciation		1,606,718,257		113,651,913
Net Depreciated Value			<b>4,412,306,740</b>	2,689,708,969
Capital Work in Progress			45,311,556	891,000,421
			407,285,314	<b>3,580,709,390</b>
<b>Current Assets, Loans and Advances</b>			173,877,550	50,079,745
Inventories	2		53,679,688	302,756,155
Sundry Debtors	3			221,891,322
Cash and Bank Balances			<b>680,154,108</b>	60,058,882
Loans and Advances		768,933,756		
	4			<b>634,786,104</b>
			(88,779,648)	547,009,743
<b>Less: Current Liabilities And Provisions</b>			<b>4,323,527,092</b>	(87,776,361)
<b>Net current Assets</b>				<b>3,668,485,751</b>
<b>Total</b>			1,497,200,000	
			35,236,,365	920,200,000
Less: LIABILITIES			50,400,000	37,090,910
Loan from Govt. of A.P.				50,400,000
Loan from LIC			<b>1,582,836,365</b>	
Loan from HUDCO	11			<b>1,007,690,910</b>
<b>Total</b>			2,740,690,727	2,660,794,841
<b>Notes on Accounts</b>				

### Income and Expenditure Account For the year ended 31<sup>st</sup> March 1997

Particulars	Sch. Ref.		Current Year (Rs.)	Prev. Year(Rs)
-------------	-----------	--	--------------------	----------------

<b>INCOME</b>				
Water & Sewerage cess			704,576,408	562,905,992
New Connection Charges			75,117,546	58,208,000
Interest			9,280,570	11,916,665
Others			16,648,420	11,615,074
<b>TOTAL</b>			<b>805,622,944</b>	<b>644,645,731</b>
<b>EXPENDITURE</b>				
Operating Expenses	5		475,629,412	410,795,909
Staff Cost	6		308,643,628	277,719,639
Administration Expenses	7		111,782,906	119,211,252
Depreciation	1		33,442,731	31,173,783
Finance charges	8		149,123,535	101,835,277
<b>TOTAL</b>			<b>1,078,622,212</b>	<b>940,735,860</b>
Less: Expenses Capitalised	9		242,425,697	177,514,869
Less: Exp. met from Grants				
received from Govt. of A.P	10		33,619,457	85,335,190
<b>TOTAL</b>			<b>802,577,058</b>	<b>677,885,801</b>
<b>Excess of Income/Expenditure</b>			3,045,886	33,240,070
<b>Less: Transfer to improvement</b>				
<b>Reserve</b>			30,459	
<b>Adj: Upto the end of previous Year</b>			21,643,953	11,596,117
<b>Carried to Balance Sheet</b>			<b>18,628,526</b>	<b>21,643,953</b>





Water Supply	815168602	799111988	129177056	1485103534				1485103534	815168602
Sewerage	75831819	54429528	8646624	121614723				121614723	75831819
<b>TOTAL</b>	891000421	853541516	137823680	1606718257				1606718257	89100421
<b>Total fixed Assets</b>	3694361303	865040081		4559401384	113651913	33442731	147094644	4412306740	3580709390

**Schedules forming part of Accounts  
for the year ended 31<sup>st</sup> March 1997**

	Particulars	Current Year (Rs.)	Prev. Year (Rs.)
<b>2</b>	<b>Cash and Bank Balance</b>		
	Cash on hand	773,525	381,031
	Cash at Bank	121,081,212	164,789,092
	In Fixed Deposits	52,022,813	56,712,199
	<b>TOTAL</b>	<b>173,877,550</b>	<b>221,891,332</b>
<b>3</b>	<b>Loans and Advances</b>		
	Loans and Advances to Staff	22,980,649	16,569,134
	Advance to Others	12,821,786	15,652,657
	Deposits	17,877,253	27,837,091
	<b>TOTAL</b>	<b>53,679,688</b>	<b>60,058,882</b>
<b>4</b>	<b>Current Liabilities &amp; Provisions</b>		
	Creditors	321,368	1,995,380
	Unspent Grants received from Govt of A.P	107,765,325	101,384,782
	Deposits	101,248,084	38,133,939
	Other Liabilities	559,598,979	405,495,642
	<b>TOTAL</b>	<b>768,933,756</b>	<b>547,009,743</b>
<b>5</b>	<b>Operating Expenses</b>		

Power	328,893,881	235,374,300
Chemicals	15,693,328	9,644,308
Other Operating Expenses	11,250,794	20,163,414
Repairs & Maintenance of Water Supply & Sewerage Systems	119,791,409	145,613,887
<b>TOTAL</b>	<b>475,629,412</b>	<b>410,795,909</b>
<b>6 Staff Cost</b>		
Salaries, Wages & Overtime	293,730,999	266,415,487
Provident Fund	4,388,189	4,923,036
Staff Welfare Expenses	10,524,440	6,381,116
<b>TOTAL</b>	<b>308,643,628</b>	<b>277,719,639</b>

**Schedules forming part of Accounts  
for the Year ended 31<sup>st</sup> March 1997 (Continued)**

Particulars	CurrentYear (Rs.)	Prev. Year(Rs.)
<b>7. Administration and other expenses</b>		
Rents	93,285	176,465
Licences, Taxes and Fees	5,417,440	732,959
Travelling and Conveyance	3,203,102	2,789,059
Printing and Stationary	6,426,453	6,021,971
Postage, Telegrams and Telephones	2,651,658	2,937,360
Advertisements & Tender Notifications	6,769,935	10,335,686
Legal & Professional Charges	42,153,954	36,346,528
Insurance	1,315,388	1,345,871
Afforestation Expenses	3,213,459	4,590,391
Audit Fees		264,865
Vehicle Maintenance		7,948,714
Diesel and Petro	29,547,807	30,930,539
7,372,279		5,003,983
HireCharges		-----
17,195,305		<b>43,883,236</b>
Repairs	9,149,266	
4,890,223	1,931,159	5,450,805
	-----	2,512,515
Repairs and maintenance	<b>111,782,906</b>	-----
Buildings	-----	7,963,320
5,639,025		1,823,541

Others 3,510,241						135,103,706	-----	
						13,804,499	<b>119,211,252</b>	
						215,269	-----	
Miscellaneous Expenses								
<b>Total</b>						<b>149,123,535</b>	-----	87,855,616
								13,859,726
								119,935
<b>8. Finance Charges</b>						456,277	-----	
Interest to Govt of A.P.	Interest to LIC &					29,411,779	<b>101,835,277</b>	
Bank						1,357,922	-----	
						469,343		
						5,182,428		70,354
<b>Total</b>								20, 728,386
								512,454
<b>9. Amount Capitalised</b>								473,549
Power								8,083,496
Salaries & Wages								754,314
Staff welfare expenses								15,815
Travelling & Conveyance								
Advertisement & Tenders								
Vehicle Maintenance Expences								
Diesel & Petrol								
861,994								
Hire Charges								

**Schedules forming part of Accounts for the  
Year ended 31<sup>st</sup> March 1997**

	Particulars	Current Year (Rs.)	Prev. Year (Rs.)
<b>9</b>	<b>Amount Capitalised (Contd.)</b>		
	Repairs 1,117,914		776,772
		1,979,908	
			1,546,901
	Printing & Stationery	934,015	1,205,740
	Postage, Telegrams & Telephones	259,037	259,581
	Repairs & Maintenance		
	Building 308,782		188,373
	Others 1,152,664		5,363,807
		1,461,446	5,552,180

	Legal & Professional Fees	41,905,275	35,926,957
	Materials Consumed	4,321,554	
	Finance Charges	148,930,130	101,789,688
	Miscellaneous Expenditure	5,756,583	1,365,583
	<b>Total</b>	<b>242,425,697</b>	<b>177,514,869</b>
<b>10</b>	<b>Expenses met out of Grants</b>		
	Salaries & Wages	3,270,100	2,772,161
	Staff Welfare Expenses	97,304	93,926
	Power	1,916,492	
	Travelling & Conveyance	36,972	24,824
	Vehicle Maintenance Expenses		
	Diesel & Petrol		116,460
	Hire Charges		21,241,913
	Repairs 8,423		58,253
		8,423	21,416,626
	Printing & Stationary	16,483	9,077
	Postage, Telegrams & Telephones	11,544	9,632
	Repairs & Maintenance		
	Borewells 10,209		11,560,729
	Pipelines 11,217,324		37,154,043
	Others 1,867,425		12,232,879
		13,094,958	60,947,651

Materials consumed	14,432,371	
Legal & Professional Fees		1,800
Miscellaneous Expenses	734,810	59,493
<b>Total</b>	<b>33,619,457</b>	<b>85,335,190</b>

**Schedules forming part of accounts  
For the year ended 31<sup>st</sup> March 1997 (Continued)**

**11. Notes on Accounts**

1. The Hyderabad Metropolitan Water & Sewerage Board (herein after referred to as " Board ") has come into existence by an enactment (Hyderabad Metropolitan Water Supply and Sewerage Act, 1989) a 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 works department of then 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 1<sup>st</sup> 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.
- Additions to lands as shown in the fixed assets represent the payments made for lands acquired by the department in earlier years.

1. 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 purpose of execution of projects for creation of capital assets is treated as contributions from Government in cash. Grants received for 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.
1. 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 been approved. However, necessary Government Notification is awaited.
  2. Figures for the previous year are regrouped wherever necessary.

On behalf of the Board

Hyderabad, (G.Nageswara Rao) (L.V.Subrahmanyam)

21-11-1997 Director (Finance) Managing Director

**Receipts and Payments Account  
For the year ended 31<sup>st</sup> , March 1997**

Head of Account	1996-97	
	Receipts (RS.)	Payments (RS.)
Opening Balance		
Cash on hand	381,031	
Cash at Bank		
....In current accounts	164,789,092	
....In fixed deposits	56,721,199	
	221,891,322	
Contributio from GOAP	140,000,000	
Loans from GOAP	577,000,000	
Contractors deposits	5,562,813	
Deposit works	65,994,219	
Addition to fixed assets		11,498,565
Capital work in progress		611,946,161
Advances for expenses	1,978,871	
Staff advances		6,411,515

Deposit with Govt & others	9,959,838	
Payments to R&R scheme		23,150,000
Repayment of LICloan inst.		1,854,545
Collections (water cess etc)	600,047,249	
Connection charges	75,117,546	
Interest income	9,280,570	
Misc income & receipts	13,768,346	
R & M - machines, pipelines		117,496,946
Other operating expenses		11,250,794
Chemicals consumed		15,693,328
Staff cost		299,111,650
Power & Electricity		322,476,817
Administrative expenses		69,628,954
Legal & professional fee		42,153,954
Interest to LIC & HUDCO		13,834,726
Bank charges		215,269
Cash on hand		773,525
Cash at Bank		
... In Current Accounts		121,081,212
... In Fixed Deposits		52,022,813
	<b>1,720,600,774</b>	<b>1,720,600,774</b>

### Funds Flow Statement



<b>Particulars</b>	<b>1996-97(Rs.)</b>	<b>1995-96(Rs.)</b>
<b>Sources of Funds</b>		
Contributions from Govt. for Projects	100,000,000	
Loans from Govt. A.P. for Projects	577,000,000	265,965,000
Grants from Govt. of A.P.	40,000, 000	163,800,000
	<b>717,000,000</b>	81,650,000
		<b>511,415,000</b>
	36,488,617	
Net income before Depreciation	63,114,145	
Increase in Liabilities (Deposit Works)	59,047,549	
Decrease in Net Working Capital	<b>875,650,311</b>	28,817,673
<b>Total</b>		114,645,485
		<b>654,878,158</b>
Deployment of Funds		
Net expenditure before Depreciation		
Fixed Assets & Capital Works		
Transfer to District Collector, Medak	865,040,081	2,066,287
Repayment of Loans	23,150,000	603,817,965
Expenditure against Grants	1,854,545	20,000,000
<b>Total</b>	33,619,457	1,854,545
Surplus/(-) Deficit	<b>923,664,083</b>	85,335,190
Opening Cash/Bank Balances	(48,013,772)	<b>713,073,987</b>
Closing Cash/Bank Balances	221,891,322	(58,195,829)
	173,877,550	280,087,151

		221,891,322
--	--	-------------

### Movement of Working Capital

Particulars	1996-97(Rs.)	1995-96(Rs.)
Increase in Current Liabilities	5,562,812	
Security Deposits from Contractors	146,866,513	29,120,213
Other Liabilities		101,109,876
Decrease in Current Assets		
Inventories	4,768,189	
Loans & Advances	6,379,194	1,155,813
Total	<b>163,576,708</b>	10,295,520
		<b>141,681,422</b>
Increase in Current Assets		
Sundry Debtors		
Total	104,529,159	
Increase/(Decrease) in Net Working Capital	<b>104,529,159</b>	27,035,937
	(59,047,549)	<b>27,035,937</b>
		(114,645,485)

### World Bank Financial Covenant Workings

F Higher of D & E	33,442,731	31,173,783
G Excess/(Shortfall) % on Gross Revenues	3,045,886	31,173,783
	0.38%	(33,240,070)
		-5.16%

### Operating Income and Expenditure Account

Particulars	For 1996-97		For 1995-96	
	Rs.	%	Rs.	%
<b>Gross Revenues</b>				
Water & Sewerage & Charges	779,693,954	96.78	621,113,992	96.35
Other Income	16,648,420	2.07	11,615,074	1.80
Interest	9,280,570	1.15	11,916,665	1.85
<b>Total</b>	<b>805,622,944</b>	<b>100.00</b>	<b>644,645,731</b>	<b>100.00</b>
<b>Expenditure</b>				
Staff cost	274,506,523	34.07	253,612,712	39.34
Power	326,521,112	40.53	235,303,946	36.50
Chemicals	15,693,328	1.95	9,644,308	1.50
Other operating expenses	11,250,794	1.40	20,163,414	3.13
Repairs & Maintenance of Water	106,694,451	13.24	84,666,236	13.13

Supply & Sewerage System				
Administration & Other Expenses	34,466,119	4.28	43,321,402	6.72
Sub-total	769,134,327	95.47	646,712,018	100.32
Depreciation	33,442,731	4.15	31,173,783	4.84
<b>Total</b>	<b>802,577,058</b>	<b>99.62</b>	<b>677,885,801</b>	<b>105.16</b>
Excess of Income/(Expenditure)	3,045,886	0.38	(33,240070)	-5.16

K.BhimeswaraRao  
Deputy Accountant General  
Office of the Principal Accountant General (Audit) I  
Andhra Pradesh  
Hyderabad - 500 004.

**AUDIT CERTIFICATE**

The Expenditure Statement/Financial Statements relating to world bank assisted "Hyderabad Water supply and Sanitation Project" (Cr.No.2115/IN) for the year 1996-97 attached hereto have been audited in accordance with the regulations and standards of audit of the Comptroller and Auditor General of India and accordingly included such test of accounting records, internal checks and controls, and other auditing procedures necessary to confirm.

- a. that the resources were used for the purpose of the project; and
- b. that the expenditure statements/financial statements are correct.

During the course of the audit referred to above, Statements of Expenditure {Claim Application No.s103,104,105,106,107,108,109,110,111,112,1113,114,115,116,117,118,119,120,121,122,123,124,125,126,127,128,129,130,131,132,133 and 134 (Total 31 claims)} and the connected documents were examined and these can be relied upon to support reimbursement under the aforesaid loan / credit agreement.

On the basis of the information and explanations that have been obtained as required and according to the best of our information as a result of the test audit, it is certified that the Expenditure Statement/Financial Statements read with the observations set out below represent a true and fair view of the implementations (and operations) of the Project for the year 1996-97.

This certificate is issued without prejudice to Comptroller and Auditor General's right to incorporate any further/detailed audit observations if and when made in the Report of Comptroller and Auditor General of India for being laid before Parliament/State Legislature

**Statement showing the details of disallowance made from the expenditure Incurred during the year 1996-97 in respect of World Bank assisted "Hyderabad Water Supply and Sanitation (Cr. No. 2115-In) Project**

Sl. District/Unit Reasons for disallowances Para No. Amount disallowd
No. Office Page No. Rs.

----- Nil -----

**Deputy Accountant General  
Coordination**

**Statement showing the details of Statement of Expenditure, Actual Expenditure as  
Checked in Audit, Disallowances made, Expenditure certified in audit in respect of  
World Bank assisted " Hyderabad Water Supply & Sanitation Project"**

**(CR. No. 2115-IN)a for the year 1996-97**

<b>Sl. Catagory No.</b>	<b>SOE Figure Rs.</b>	<b>Actual Expenditure As verified in audit Rs.</b>	<b>Amount Disallowed Rs.</b>	<b>Expenditure Certified in audit Rs.</b>
1. Civil Works		17,52,59,434	NIL	
2. Equipment & Materials	17,52,59,434	1,19,49,647	NIL	17,52,59,434
	1,19,49,647			1,19,49,647
3. Water Treatment Plant		NIL	NIL	
4. Rehabilitation Services	NIL	37,66,340	NIL	NIL
5. Consultants' Services	37,66,340	1,93,72,044	NIL	37,66,340
6. Training	1,93,72,044	3,31,235	NIL	1,93,72,044
	3,31,235			3,31,235
7. Unallocated		NIL	NIL	
	NIL			NIL
<b>Total</b>	<b>21,06,78,700</b>	<b>21,06,78,700</b>	<b>21,06,78,700</b>	<b>21,06,78,700</b>

Certified subject to audit observations  
**Deputy Accountant General  
Coordination**

**Summarised Balance Sheet at a glance as at 31<sup>st</sup> March**

<b>Particulars</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>
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	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
<b>NET WORTH</b>								
CAPITAL								
Contribution from GOAP:								
Net value of assets	13,601.78	13,601.78	13,601.78	13,601.78	13,601.78	13,601.78	13,601.78	13,601.78
In cash by way of Grants-in-aid	598.00	2,011.05	3,611.05	6,433.75	8,748.45	10,676.30	13,135.95	13,904.45
Improvement Reserve					2.82	2.82	2.82	2.82
	14,199.78	15,612.83	17,212.83	20,035.53	22,353.05	24,280.90	26,740.55	27,509.05
Add/Deduct: Cumulative								
Balance of Net Income)	(30.10)	(42.60)	(100.91)	(140.17)	139.30	115.96	(216.44)	(186.28)
<b>TOTAL</b>	<b>14,169.68</b>	<b>15,570.23</b>	<b>17,111.92</b>	<b>19,895.36</b>	<b>22,492.35</b>	<b>24,396.86</b>	<b>26,524.11</b>	<b>27,322.77</b>
<b>REPRESENTED BY</b>								
<b>ASSETS</b>								
<b>Fixed Assets</b>								
At Cost	4,111.11	4,205.87	11,054.14	11,119.57	25,093.30	25,680.72	28,033.61	29,526.83
Less: Depreciation	15.20	54.70	166.19	282.13	538.65	824.78	1,136.52	147,095.00
Net Depreciated Value	4,095.91	4,151.17	10,887.95	10,837.44	24,554.94	24,855.94	26,897.09	28,055.88
Capital Work in Progress	7,912.95	9,163.23	6,735.15	11,860.60	2,854.23	5,224.71	8,910.00	16,067.19
<b>Total fixed Assets</b>	<b>12,008.86</b>	<b>13,314.40</b>	<b>17,623.10</b>	<b>22,698.04</b>	<b>27,408.88</b>	<b>30,080.65</b>	<b>35,807.09</b>	<b>44,123.07</b>
Current Assets, Loans and								
Advances								
Inventories	52.91	214.46	386.54	497.86	316.19	512.36	500.80	453.12
Sundry Debtors	1,567.88	1,643.37	1,906.90	2,084.91	2,575.83	2,757.20	3,027.56	4,072.85
Cash and Bank Balances	611.58	1,457.82	903.55	2,574.64	2,725.31	2,800.87	2,218.91	1,738.77
Loans and Advances	116.55	152.84	257.04	401.39	532.54	703.54	600.59	536.80

Sub-Total	2,348.92	3,468.49	3,454.03	5,558.80	6,149.87	6,773.97	6,347.86	6,801.54
Less: Current Liabilities and								
Provisions	188.10	804.66	1,157.21	2,328.10	2,702.57	3,916.47	5,470.10	7,689.34
Net Current Assets	2,160.82	2,663.83	2,296.82	3,230.70	3,447.30	2,857.50	877.76	(887.80)
Total Assets	14,169.68	15,978.23	19,919.92	25,928.74	30,856.18	32,938.15	36,684.85	43,235.27
Less: LIABILITIES								
Loan from Govt. of A.P.			24,000.00	5,474.00	7,564.00	7,564.00	9,202.00	14,972.00
Loan from LIC		408.00	408.00	408.00	408.00	389.46	370.91	352.36
Loan from HUDCO				151.38	308.00	504.00	504.00	504.00
Total Liabilities	-	408.00	2,808.00	6,033.38	8,280.00	8,457.46	10,076.91	15,828.36
TOTAL	14,169.68	15,570.23	17,111.92	19,895.36	22,576.18	24,480.69	26,607.94	27,406.91

**Summarised Income and Expenditure Account  
At a glance (for the year ended 31<sup>st</sup> March)**

Particulars	1990	1991	1992	1993	1994	1995	1996	1997
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
<b>INCOME</b>								
Water & Sewerage Cess	907.28	2,210.15	3,292.92	401,372.00	5,053.17	5,444.56	5,629.06	7,045.76
New connection charges		121.85	126.44	161.14	139.56	335.69	582.08	751.18
Interest		5.66	70.97	74.63	39.11	32.96	119.17	92.81
Others	12.39	175.42	34.76	110.97	147.01	149.58	116.15	166.48
TOTAL	919.67	2,513.08	3,525.09	401,718.74	5,378.85	5,962.79	6,446.46	8,056.23
<b>EXPENDITURE</b>								
Operating Expenses	473.98	1,300.84	1,996.08	2,474.90	2,920.11	3,353.57	4,107.96	4,756.29
Staff Cost	474.41	1,352.40	1,599.38	1,830.94	2,240.09	2,575.41	2,777.20	3,086.44
Administrative Expenses	131.02	220.74	342.37	570.77	642.12	810.34	1,192.11	1,117.82
Depreciation	15.20	39.50	111.49	115.94	256.52	286.13	311.74	334.43

Finance Charge		0.72	103.68	434.75	805.70	958.76	1,018.35	1,491.24
TOTAL	1,094.61	2,914.20	4,153.00	5,427.30	6,864.54	7,984.21	9,407.36	10,786.22
Less: Expenses capitalised	90.84	339.34	368.51	927.66	1,264.75	1,456.40	1,775.15	2,424.26
Less: Expenses met from								
Grants received from Govt.								
of AP	54.00	49.28	201.09	99.92	503.23	541.68	853.35	336.19
NET TOTAL	949.77	2,525.58	3,583.40	4,399.72	5,096.56	5,986.13	6,778.86	8,025.77
Excess of								
Income/(Expenditure)	(30.10)	(12.50)	(58.31)	(39.26)	282.29	(23.34)	(332.40)	30.46
Less: Transfer to								
Improvement Reserve					(2.82)			(0.31)
Adj: Upto the end of								
previous year		(30.10)	(42.60)	(100.91)	(140.17)	139.30	115.96	(216.44)
<b>Carried to Balance Sheet</b>	<b>(30.10)</b>	<b>(42.60)</b>	<b>(100.91)</b>	<b>(140.17)</b>	<b>139.30</b>	<b>115.96</b>		