



Chennai Metropolitan Water Supply and Sewerage Board
சென்னைப் பெருநகர் குடிநீர் வழங்கல் மற்றும் கழிவுநீர்கற்று வாரியம்



ANNUAL REPORT
ஆண்டு அறிக்கை

2017-2018



Chennai Metropolitan Water Supply and Sewerage Board

ANNUAL REPORT 2017 - 2018

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Chennai Metropolitan Water Supply and Sewerage Board

INDEPENDENT AUDITOR'S REPORT

M.C. RANGANATHAN & CO
CHARTERED ACCOUNTANTS

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AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF CHENNAI METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of **Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB)**, which comprise the Balance Sheet as at 31st March, 2018 and the Income and Expenditure Account, for the year ended on that date and the Schedules annexed thereto, a summary of Significant Accounting Policies and Notes on Accounts.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of CMWSSB in accordance with the accounting principles generally accepted in India, the Accounting Standards and CMWSSB Act, 1978. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error. In making those risk assessments, the management has implemented such internal control that are relevant to the preparation of Financial Statements and designed procedures that are appropriate in the circumstances so that the internal control with regard to all the activities of the Board are effective.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to CMWSSB's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CMWSSB's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We have taken into account the provisions of the accounting and auditing standards and matters which are required to be included in the audit report.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a **Basis for Qualified Opinion.**

A. GRANTS

- 1) Schedule Q - Notes on Balance Sheet - Note No. II – 8 -Grants from Government – regarding receipt of Grants (Devolution Fund) for an amount of Rs.8.97 Crores for the months of February, 2017 and March, 2017 accounted in the current financial year. Similarly, grants received for one project is utilised for another project. This is not in accordance with AS 4- Contingencies and Events occurring after the Balance Sheet date and AS 12- Accounting for Government Grants, issued by the Institute of Chartered Accountants of India(ICAI),with resultant understatement of liabilities under the head Grants from Government.
- 2) Schedule Q - Notes on Balance Sheet - Note No. II –1,2,3,4 - Grants from Government- regarding treatment of Grant received from Government for Mega City Project, Additional central assistance received under the JNNURM project, Desalination plant at Nemmeli, CCRCP and other projects during the current year aggregating to Rs.158.66 Crores (Previous Year Rs.438.21crores) as Grants from Government instead of Contribution as per Accounting Standard (AS) 12 (Revised) issued by the ICAI, with resultant overstatement of Grant Liability and understatement of Contribution.
- 3) Grants have been received for Second Chennai Project (SCP) and Chennai City River Conservation Project (CCRCP). The work has been completed for these projects. The grant received has been treated as “Liability” and the asset cost



has been classified under “PIP”. The accounting policy is not explicit on treatment of Grants. The Accounting policy, states that, Grants from Government are shown separately and no repayment is envisaged in respect of Government Grants.

B. CURRENT LIABILITIES AND PROVISIONS

- 1) Schedule Q - Notes on Balance Sheet - Note No. V- 2- Other Liabilities- Others- regarding non reconciliation of balance outstanding in 15 GL account for Debit Balance of Rs.62.19Crores. (Previous Year Rs.225.03Crores for 14 GL accounts)
- 2) Schedule Q - Notes on Balance Sheet - Note No. V- 2 - Other liabilities- Others – regarding non squaring off the Pension and Gratuity-Accrued Transferred from Madras Municipal Corporation- a sum of Rs.20,09,651/- (A/C Code 5390) and Outstanding liabilities-PWD a sum of Rs.13,18,201/- (A/C Code 5410) which is pending for a long time with resultant overstatement of Liabilities.

C. FIXED ASSETS

- 1) Fixed Assets – regarding non reconciliation of opening balances in current year with the closing balances of previous year amounting to Rs. 9.68 Crores (Dr.). The impact whereof on the accounts are not ascertainable. Also, the entity should consider transfer of assets in area offices to Head Office by passing journal entry.
- 2) Schedule Q - Notes on Balance sheet - Note VI -1- Fixed Assets – regarding non-provision of depreciation at an ad-hoc rate of 5% as per Accounting Policy of CMWSSB in the case of PIP accounts where there is no transaction in the account as well as no progress in the projects during the year 2016-17 and 2017-18, the impact whereof on the accounts are not ascertainable.
- 3) Schedule Q - Notes on Balance sheet - Note VI – 5 - Fixed Assets – regarding non transfer of ownership of certain Fixed Assets in the name of CMWSSB, with payment of monetary compensation to the real owners of the said assets which were used by few erstwhile LBs without ownership thereof, the impact whereof on the accounts are not ascertainable. We had asked for the confirmation from the Tahsildar (Land and Estate) and we were not furnished with the same.

- 4) Schedule Q - Notes on Balance sheet - Note VI – 6 -Fixed Assets – regarding non write off of Fixed Assets under the head Drought Relief Works for Rs.121.13 Crores (Previous Year Rs. 110.78 Crores) due to their probable outliving, with resultant over statement of Fixed Assets and understatement of Excess of Expenditure over income for the year ended 31st March 2018 and under statement of Accumulated Deficit as of 31st March 2018, for the like amount.

D. INVENTORY

- 1) Schedule Q - Notes on Balance sheet - Note VII – 1a -Regarding non identification of Non Moving/Obsolete stock with required provision thereof, in the absence of Ageing Analysis of Inventory as of 31st March 2018, the impact whereof on the accounts is not ascertainable.
- 2) Schedule Q - Notes on Balance sheet - Note VII – 1b - Regarding non reconciliation of balances outstanding in the GL Shortage of Stores A/c (Code 8240) for Rs. 1.93 crores (Dr. balance) and GL Surplus of Stores A/c (Code 8230) for Rs.1.88 crores (Cr. Balance), as of 31st March, 2018, the impact whereof on the accounts are not ascertainable.
- 3) Schedule Q - Notes on Balance sheet - Note VII – 1c - Regarding non writing-off of balance outstanding of Rs.5,00,487/- in Stores Suspense account (Code 8250) which resultant overstatement of Current Assets under the head Inventory, understatement of excess of Expenditure over Income for the year ended 31st March, 2018 and Accumulated Deficit as at 31st March, 2018.
- 4) Schedule Q - Notes on Balance sheet - Note VII – 1d - Inventory balance (Dr.) as per Inventory certificate and balance outstanding in respective GL accounts (Dr.) relating to 8200-8225 inventory certificate is not obtained as at 31st March, 2018 due to non-passing of required entries in respect of inventory, the impact whereof on the accounts are not ascertainable.
- 5) Schedule Q - Notes on Balance sheet - Note VII – 1e - Regarding non write back/write off of balances outstanding relating to Inventory in GL Account codes 8252 and 8264 with aggregate outstanding balance of Rs.4.62 Lakhs (Cr. Balance) (Previous Year Rs. 3.73 Lakhs) and GL Account code 8253 amounting to Rs. 19.43 Lakhs (Dr. balance) same as Previous Year, as at 31st March, 2018, the impact whereof on the accounts are not ascertainable.



- 6) Schedule Q - Notes on Balance sheet - Note VII – 1e - Account Code 8262 Regarding In transit inventory value for current year shows credit balance of Rs 5.22 Crores (Previous year - Rs. 2.78 Crores), the impact whereof on accounts not ascertainable

E. HO/AREA TRANSACTION

- 1) Schedule Q - Notes on Balance sheet - Note VII – 3 -regarding non reconciliation of Rs.139.51Crores (Previous Year Rs.266.82 Crores), as at 31st March, 2018, the impact whereof on the accounts is not ascertainable.

F. COLLECTION CONTROL ACCOUNT

- 1) Schedule Q - Notes on Balance sheet - Note VII – 4 -regarding non-nullification of balance of Rs.1.10 Crores (Previous Year Rs.2.63 Crores) in Collection Control Account, as at 31st March, 2018, the impact whereof on the accounts is not ascertainable.

G. BANK ACCOUNTS

- 1) Regarding non reconciliation of bank account balances as per CMWSSB's books and the BRS relating to 34 bank accounts with aggregate debit balance of Rs. 580.86 Crores as on 31st March, 2018, the impact whereof on the accounts are not ascertainable. Further, the effect of unadjusted entries on the income & expenditure and assets and liabilities of the Board is not ascertainable at this stage in view of the BRS not done in above Bank accounts.
- 2) In respect of Canara Bank collection Account (Code 9131) which shows Credit balance of Rs.252.02 Crores (Previous Year Rs. 462.53 Crores). BRS has not been provided to reconcile the differences and hence impact on Financials is not ascertainable.

H. FIXED DEPOSITS

- 1) Schedule Q- Notes on Balance sheet - Note VII – 5 –Regarding non reconciliation of Short-Term Deposits in sweep with Banks with balance outstanding of Rs.576.52 Crores as of 31st March 2018(Previous Year Rs.406.48 Crores), the impact whereof on the accounts is not ascertainable.
- 2) Schedule Q- Notes on Balance Sheet – Note No. VII –7 i)- regarding non reconciliation of Investments in the form of Fixed Deposits with Banks the balance outstanding as per General Ledger (codes 9170 & 9171) and the balance outstanding as per Cash Department records as at 31st March, 2018, the impact whereof on the accounts is not ascertainable.

- 3) Non reconciliation of bank interest, for Head office, with the 26AS data, generated from TRACES.

I. LOANS AND ADVANCES

- 1) Advances to employees-shows credit balance in respect of accounts having code numbers 8600, 8720 and 8820 amounting to Rs 4,11,287. (Previous Year Rs. 6,08,255/-)

J. INTEREST ACCRUED

- 1) Schedule Q- Notes on Balance Sheet – Note No. VII –7 ii) & 7 iii)-regarding non reconciliation of balances outstanding in Interest Accrued (GL code-8520, 8523) showing a credit balance of Rs.53.56 Crores (Previous Year GL Code of 8520,8523, showing the credit balance of Rs.14.93 Crores) , the impact whereof on the accounts is not ascertainable.

K. TERMINAL BENEFITS TO EMPLOYEES

- 1) Schedule Q- Notes on Income and Expenditure – Note No. V 1 & 2b -Terminal benefits to employees-regarding non provision of Actuarial Liability in respect of Pension, Gratuity, Family Benefit Fund and Leave Encashment as on 31st March 2018, the impact whereof on the accounts are not ascertainable. This is not in accordance with AS-15 “Employee Benefits” issued by ICAI.
- 2) Schedule Q- Notes on Income and Expenditure – Note No. V - Employee Benefits to Employees of LBs – regarding non provision of Actuarial Liability in respect of Pension, Gratuity and Leave Encashment as on 31st March 2018, the impact whereof on the accounts are not ascertainable. This is not in accordance with AS-15 “Employee Benefits” issued by ICAI.

L. MISCELLANEOUS POINTS

- 1) **Internal Audit:** Inadequacy of internal audit team and controls commensurate with the size and volume of the organisation. Physical verification of inventory and fixed assets has not been carried out for the year under Audit.
- 2) **Balance Confirmation:** Regarding Third party balances which are subject to confirmation and reconciliation, the impact whereof on the accounts is not ascertainable. Confirmation of Rs. 15.76 Crores Deposits from TNEB has not been received (Code 8920).

Interest on Electricity Deposit and Electricity expenses has been set off and this is against AS-1 “Disclosure of Accounting of policies”.



- 3) **Non-Reconciliation of Difference in Billing and Collection and Unapplied cash:** Ten areas have been migrated to fifteen areas, and accounting system has been shifted from UNIX system to Oracle during the year 2012-13. Existing consumers have been reshuffled within 15 areas. As a result of which, a portion of receivables, has been debited to the said account. At the time of roll out the amount stood at Rs.13.10 crores as on 30.06.2014, and, subsequently as on Balance sheet it is Rs.4.46 crores (Previous Year Rs.4.46Crores), after adjusting the collection and unapplied cash of Rs.78.21 Crores (Previous Year Rs.83.37 Crores) This has been done in an ad hoc manner and reconciliation has to be done. This needs to be correlated with the relevant area wise consumer account and accounted accordingly.
- 4) **Balances in Control Accounts:** In general all control accounts seem to be having a balance when in principle it should show nil balance and these balances are yet to be reconciled and netted-off.
- 5) The TDS payment is credited to the bank account as and when TDS is deducted, but as in actual practice it is paid only on the beginning of the next month.

7. OPINION

In our opinion and to the best of our information and according to the explanations given to us **except for the effects of the matters described in the Basis for Qualified Opinion paragraph**, the said Balance Sheet and the Income and Expenditure Account read together with the Notes thereon and Schedules attached thereto give a true and fair view, in conformity with the accounting principles generally accepted in India.

- i) In the case of Balance Sheet, of the state of affairs of CMWSSB as at 31st March 2018, and
- ii) In the case of the Income and Expenditure Account of the Deficit (Excess of Expenditure over Income) of CMWSSB for the year ended on that date.

Place : Chennai
Date : 16-11-2020.

For M.C. Ranganathan & Co.
Chartered Accountants
FRN: 003061S

T R Chandrasekaran
PARTNER
M.No.: 018137
UDIN: 20018137AAAAAR5346

BALANCE SHEET AS ON 31ST MARCH 2018

DESCRIPTION	SCHEDULE	2017-18 Rs.	2016-17 Rs.
<u>LIABILITIES</u>			
CONTRIBUTIONS	A	17,92,29,06,480.71	16,83,28,08,433.71
GRANTS FROM GOVERNMENT	B	44,80,02,74,133.53	40,82,25,96,320.53
LONG TERM BORROWINGS	C	11,07,69,87,809.00	11,37,61,29,329.00
DEFERRED CREDITS AND DEPOSITS	D	12,77,09,57,735.04	11,70,69,42,802.54
CURRENT LIABILITIES	E	13,52,94,57,732.77	10,06,93,21,627.55
TOTAL		1,00,10,05,83,891.05	90,80,77,98,513.33
<u>ASSETS</u>			
FIXED ASSETS	F	70,54,53,16,543.23	66,44,44,44,198.59
CURRENT ASSETS LOANS, ADVANCES DEPOSITS	G	15,00,98,39,205.84	11,46,90,33,962.68
ACCUMULATED DEFICIT		14,54,54,28,141.98	12,89,43,20,352.06
TOTAL		1,00,10,05,83,891.05	90,80,77,98,513.33

As per our report of even date
For and on behalf of
M.C.RANGANATHAN & CO.,
CHARTERED ACCOUNTANTS
Firm Regn. No.003061S

ON BEHALF OF THE CMWSS BOARD

Sd/-
K. MUTHUKUMARASWAMY
FINANCE DIRECTOR

Sd/-
T.N. HARIHARAN, I.A.S.,
MANAGING DIRECTOR

Sd/-
T.R. CHANDRASEKARAN
PARTNER
M.No.018137
UDIN: 20018137AAAAAR5346

Place : Chennai
Date : 16-11-2020.



Chennai Metropolitan Water Supply and Sewerage Board

INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2018

DESCRIPTION	SCHEDULE	2017-18 Rs.	2016-17 Rs.
<u>INCOME</u>			
SALE OF WATER & SEWERAGE CHARGES	H	3,04,40,29,968.07	3,22,34,10,674.99
WATER AND SEWERAGE TAX	I	1,76,23,35,744.10	1,65,96,09,371.88
GRANTS AND SUBSIDIES		3,10,75,78,679.00	3,04,88,34,930.00
OTHER INCOME	J	85,31,31,013.49	95,46,45,713.68
PRIOR PERIOD ADJUSTMENT	N	5,79,74,219.56	14,98,91,686.63
PROVISIONS WRITTEN BACK			
- WATER CHARGES METERED		3,21,19,533.16	43,30,702.96
- WATER CHARGES UNMETERED		50,12,939.25	20,31,138.43
- TAXES		1,78,68,497.78	0.00
EXCESS OF EXPENDITURE OVER INCOME		1,65,11,07,789.92	1,20,17,60,402.34
TOTAL		10,53,11,58,384.33	10,24,45,14,620.91
<u>EXPENDITURE</u>			
OPERATING AND MAINTENANCE EXPENDITURE	K	5,28,75,18,970.17	5,06,39,23,547.73
PAYMENTS AND PROVISIONS TO EMPLOYEES	L	1,99,51,47,654.97	2,01,38,79,167.10
OFFICE AND ADMINISTRATIVE EXPENSES	M	9,57,76,631.23	8,73,69,002.19
WATER LORRY HIRE CHARGES/ DROUGHT RELIEF EXPENSES/ FLOOD RELIEF EXPENDITURE		1,03,35,19,113.70	75,57,79,615.11
DEPRECIATION		1,39,15,94,565.26	1,54,67,55,386.27
DEBT SERVICE CHARGES	O	72,76,01,449.00	76,80,50,718.00
PROVISION FOR DOUBTFUL DEBTS			
- WATER CHARGES METERED		0.00	0.00
- WATER CHARGES UNMETERED		0.00	0.00
- TAXES		0.00	87,57,184.51
TOTAL		10,53,11,58,384.33	10,24,45,14,620.91

ON BEHALF OF THE CMWSS BOARD

Sd/-
K. MUTHUKUMARASWAMY
FINANCE DIRECTOR

Sd/-
T.N. HARIHARAN, I.A.S.,
MANAGING DIRECTOR

As per our report of even date
For and on behalf of
M.C.RANGANATHAN & CO.,
CHARTERED ACCOUNTANTS
Firm Regn. No.003061S

Sd/-
T.R. CHANDRASEKARAN
PARTNER
M.No.018137
UDIN: 20018137AAAAAR5346

Place : Chennai
Date : 16-11-2020.

SCHEDULES

SCHEDULE - A - CONTRIBUTIONS

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
Contribution from Government	4,87,96,58,365.32	4,87,96,58,365.32
Contribution from Public	7,48,15,93,517.02	6,93,54,03,682.02
Excess of assets over Liabilities transferred from CMC	15,91,67,365.25	15,91,67,365.25
Excess of assets over Liabilities transferred from P.W.D.	5,18,87,380.46	5,18,87,380.46
Excess of assets over Liabilities transferred from Adhoc Board	8,42,251.86	8,42,251.86
Excess of Liabilities over Assets transferred from ULB's	-43,69,42,738.80	-43,69,42,738.80
Capital Reserves	4,68,11,32,836.60	4,13,72,24,624.60
Fixed assets renewal fund	1,10,55,67,503.00	1,10,55,67,503.00
TOTAL	17,92,29,06,480.71	16,83,28,08,433.71

SCHEDULE - B - GRANTS FROM GOVERNMENT

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
Second Chennai Project	1,37,37,90,000.53	1,37,37,90,000.53
CCRCP	3,51,59,00,000.00	3,51,59,00,000.00
JNNURM	3,10,93,55,985.00	3,02,51,08,485.00
Desalination plant at Nemmeli	8,93,22,04,351.00	8,93,22,04,351.00
Others	12,10,83,83,815.00	11,39,89,22,686.00
CMCDM	7,62,72,08,178.00	6,75,00,39,278.00
45MLD TTRO	1,71,48,80,000.00	36,39,40,000.00
ULB Grants	1,90,34,07,692.00	1,90,34,07,692.00
Devolution Fund	4,51,51,44,112.00	3,55,92,83,828.00
TOTAL	44,80,02,74,133.53	40,82,25,96,320.53

SCHEDULE - C - LONG TERM BORROWINGS

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
Loans From Government	7,27,51,13,540.00	7,27,51,13,540.00
Loan from Financial Institutions	3,80,18,74,269.00	4,10,10,15,789.00
TOTAL	11,07,69,87,809.00	11,37,61,29,329.00



SCHEDULE - D - DEFERRED CREDITS AND DEPOSITS

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
(I) DEPOSITS FROM PUBLIC:		
Service Connections - Sew.	55,75,71,683.00	54,62,30,204.00
General Works	11,40,00,32,375.21	10,56,89,48,788.21
MLA Constituency Development Scheme	10,42,33,482.00	5,52,02,426.00
(II) SEC.DEPOSITS&RETENTION MONEY:		
A. Retention Money:		
Suppliers	4,59,65,263.00	3,05,58,273.00
Contractors	5,41,89,766.00	4,04,09,086.00
B. Security Deposits		
Staff	66,597.40	66,597.40
Consumers	1,16,74,109.00	1,16,74,109.00
Contractors	59,72,23,259.43	45,38,52,118.93
Miscellaneous	1,200.00	1,200.00
TOTAL	12,77,09,57,735.04	11,70,69,42,802.54

SCHEDULE - E - CURRENT LIABILITIES

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
(A) SUNDRY CREDITORS		
Suppliers	8,91,26,581.12	6,98,64,223.26
Contractors	1,09,51,76,057.95	83,51,00,677.95
Expenses	76,46,24,615.90	60,18,43,780.50
INTEREST ACCURED		
Government Loans	8,03,54,43,196.00	7,43,23,09,005.00
Bonds	0.00	0.00
Financial Institutions	14,11,74,141.00	13,94,66,960.00
(B) OTHER LIABILITIES		
1. Staff	1,45,46,84,212.61	1,48,43,43,100.61
2. Others	1,94,92,28,928.19	-49,36,06,119.77
TOTAL	13,52,94,57,732.77	10,06,93,21,627.55

SCHEDULE - F – FIXED ASSETS

DESCRIPTION	Rs.	2017-18 Rs.	2016-17 Rs.
A. WATER SUPPLY AT COST	31,91,10,89,576.83		
Less: Depreciation	-14,82,62,50,544.99	17,08,48,39,031.84	17,89,75,63,612.81
B. SEWERAGE AT COST	15,02,54,70,472.01		
Less: Depreciation	-7,49,03,07,794.79	7,53,51,62,677.22	7,36,58,08,710.18
C. GENERAL AT COST	88,61,93,137.83		
Less: Depreciation	-63,01,90,774.67	25,60,02,363.16	26,65,42,370.17
D. PROJECT IN PROGRESS			
1. WATER SUPPLY			
Deposit Works	4,70,93,65,726.01		
Other Works	19,59,53,93,874.83	24,30,47,59,600.84	22,03,79,62,759.21
2. SEWERAGE			
Deposit Works	7,82,88,52,093.43		
Other Works	11,92,23,20,306.37	19,75,11,72,399.80	17,35,41,77,121.74
3. GENERAL		17,05,38,001.41	19,10,26,829.32
E. DROUGHT / FLOOD RELIEF WORKS		1,21,13,20,630.62	1,10,78,50,680.82
F. DROUGHT RELIEF WORKS GENERAL		23,15,21,838.34	22,35,12,114.34
TOTAL		70,54,53,16,543.23	66,44,44,44,198.59



SCHEDULE - G - CURRENT ASSETS, LOANS, ADVANCES & DEPOSITS

DESCRIPTION	Rs.	2017-18 Rs.	2016-17 Rs.
A. INVENTORY		4,25,89,661.65	11,41,57,279.60
B. SUNDRY DEBTORS			
Water Charges Metered	43,22,37,931.59		
Less: Provision for doubtful debts	-3,30,37,097.06	39,92,00,834.53	20,64,83,635.59
Water Charges Un-metered	42,60,70,092.48		
Less: Provision for doubtful debts	-17,92,12,951.16	24,68,57,141.32	19,17,14,809.60
Tax	1,81,29,43,643.93		
Less: Provision for doubtful debts	-10,46,53,774.66	1,70,82,89,869.27	1,51,17,36,393.69
Due from Public Authorities		1,99,56,271.27	1,99,56,271.27
Debtors Control			
- Mobile Water Supply to Govt.	13,17,28,145.26		
- Sewerage Service Charges	25,48,12,121.28		
- Water Supply others	-94,820.50		
- Control Surcharges	22,25,63,908.45		
- Dis Cheque	5,21,624.00		
- Raw Sewage	5,77,66,373.90	66,72,97,352.39	66,41,81,854.69
Rent Receivable		2,11,25,153.83	1,48,37,580.18
SGST and CGST		9,42,87,363.38	0.00
CMWSSB Group Gratuity Trust		1,20,34,006.50	1,20,34,006.50
Tax Deducted at Source		3,75,81,163.93	3,68,24,743.70
Head Office/Area-Transactions		1,39,51,49,934.00	2,66,81,84,880.50
Collection Control		1,10,39,267.04	2,63,47,011.40
C. CASH AND BANK BALANCES			
- Current A/c with Scheduled Banks & Balances with RBI		72,96,17,990.58	-2,26,23,05,709.64
- Short-Term Dep. with Scheduled Banks		5,76,51,55,546.00	4,06,48,45,571.00
- Cash in hand		44,876.35	15,535.35
- Imprest Account - Adv to Staff		3,89,796.00	1,79,669.00

DESCRIPTION	Rs.	2017-18 Rs.	2016-17 Rs.
D.Loans and Advances			
Contractors		48,26,66,886.00	54,30,27,797.00
Suppliers		1,63,12,405.40	1,21,02,404.40
Expenses		1,81,23,912.60	1,76,20,379.60
Employees		10,47,04,706.29	8,19,06,053.29
Others		4,99,449.79	4,99,449.79
E.DEPOSITS AND INVESTMENTS			
I. STAFF			
SPL P.F.Investments		7,68,99,964.00	6,99,28,354.00
G.P.F Investments		84,78,07,147.34	77,93,15,416.34
Pension Fund Investment		1,41,45,35,664.00	1,39,00,42,346.00
Inv. on CMWSSB Emp. Spl Med Fund		1,96,54,484.00	1,78,39,787.00
Accident Coverage Investment		1,23,93,043.00	1,12,51,069.00
Interest Accrued - Others		-26,88,14,775.35	-1,61,08,133.32
Interest Accrued - CPS fund Investments		-89,83,487.00	49,06,306.78
Interest Accrued - Pension Investments		-26,67,67,379.73	-13,32,05,583.09
Gratuity Fund Investments		60.00	0.00
II. Others			
Deposits		16,09,74,510.46	14,70,04,269.46
Trust and Retention Investment		40,34,46,540.00	50,68,02,444.00
Fixed Asset Renew. Fund Investment		84,57,69,847.00	76,69,08,070.00
TOTAL		15,00,98,39,205.84	11,46,90,33,962.68



SCHEDULE - H - SALE OF WATER & SEWER CHARGES

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
A) METERED		
Domestic	11,98,59,254.58	38,18,02,234.25
Commercial	1,25,22,08,351.30	1,22,61,82,392.75
Institutional	13,00,44,727.75	13,23,57,164.75
Municipalities	4,81,53,733.60	9,20,35,763.00
B) UN METERED		
Domestic	38,72,28,214.50	37,50,64,952.07
Commercial	23,10,95,921.00	19,99,43,611.00
Institutional	25,88,200.00	21,39,200.00
Sale of treated Water	18,86,05,906.90	14,95,08,142.08
Mobile Water Supply	46,33,24,135.00	38,21,09,406.94
Sewer Charges	22,09,21,523.44	28,22,67,808.15
TOTAL	3,04,40,29,968.07	3,22,34,10,674.99

SCHEDULE - I - WATER & SEWERAGE TAX

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
Water Tax	37,76,43,068.82	35,56,31,467.24
Sewerage Tax	1,38,46,92,675.28	1,30,39,77,904.64
TOTAL	1,76,23,35,744.10	1,65,96,09,371.88

SCHEDULE - J - OTHER INCOME

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
Application Fee-Recruitment	-44,12,006.03	1,97,91,536.94
Sale of Scrap	6,27,907.00	47,31,455.00
Interest From Banks	44,45,37,686.40	56,06,13,682.70
Interest from others	8,93,08,624.00	4,05,63,507.00
Sale of tender forms	7,93,902.13	35,56,700.00
Liquidated Damages	5,32,05,757.00	6,78,14,912.00
Consultancy charges earned	2,74,87,000.00	0.00
Other Miscellaneous Income	24,15,82,142.99	25,75,73,920.04
TOTAL	85,31,31,013.49	95,46,45,713.68

SCHEDULE - K - O & M EXPENSES

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
A. OPERATING EXPENSES		
Power	1,85,50,23,751.00	1,76,02,80,711.00
Chemicals	2,95,54,555.11	4,93,06,738.37
Fuel & Lubricants	8,16,45,145.00	7,78,50,227.00
Less: Project Appropriation	-2,44,93,543.00	-2,33,55,068.00
Loose Tools	14,07,125.16	9,73,436.09
Freight & Insurance	83,605.00	5,233.00
Sewerage Lorry Hire Charges	1,33,93,994.00	1,88,21,185.00
Desilting	13,21,23,741.36	12,52,78,868.80
Other Operating Expenses	1,80,84,33,870.60	1,86,45,98,759.32
TOTAL - A	3,89,71,72,244.23	3,87,37,60,090.58
B. REPAIRS AND MAINTENANCE		
Pipelines, Pumping Plants & Other Equipments	95,73,33,911.69	73,98,37,375.95
Building & Civil Works	17,17,94,120.33	18,90,01,030.54
Vehicles	23,30,527.39	25,50,711.19
Other Repairs & Maintenance	25,88,88,166.53	25,87,74,339.47
TOTAL - B	1,39,03,46,725.94	1,19,01,63,457.15
GRAND TOTAL	5,28,75,18,970.17	5,06,39,23,547.73

SCHEDULE - L-PAYMENTS & PROVISIONS TO EMPLOYEES

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
Salaries, Wages & Allowances	2,55,24,53,385.50	2,53,63,07,316.70
Employees Welfare Expenses	6,79,64,540.83	8,24,66,220.40
Contribution to Deputationists	0.00	16,86,176.00
TOTAL	2,62,04,17,926.33	2,62,04,59,713.10
Less : Project Appropriation	-62,52,70,271.36	-60,65,80,546.00
TOTAL	1,99,51,47,654.97	2,01,38,79,167.10



SCHEDULE - M - O&A EXPENSES

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
OFFICE EXPENSES:		
Rent, Rates & Taxes	1,11,50,338.00	81,87,395.00
Electricity	1,18,03,956.00	1,84,81,982.00
Wireless & Mass Comm,Charges	4,21,634.00	7,77,670.00
Telephone Charges	93,36,985.99	98,57,511.24
Postage & Telegram	69,49,302.00	94,21,848.00
Printing & Stationery	1,11,48,417.80	1,00,23,687.40
Exhibition & Publicity	13,79,960.00	12,65,192.00
Other Office Expenses	1,70,26,282.00	1,83,60,455.00
Travel and Conveyance	3,89,86,103.48	3,10,67,606.00
ADMINISTRATIVE EXPENSES		
Audit Fees	3,91,498.00	1,90,000.00
Legal Charges	38,33,525.00	18,34,655.00
Consultancy Fees and Expenses	23,50,482.00	12,75,065.00
Board Functions	0.00	500.00
Bank Charges	1,62,28,002.11	25,83,919.55
Honorarium	1,000.00	0.00
Other Administrative Expenses	52,62,914.00	76,39,565.00
Guarantee Commission Account	40,38,068.00	44,52,088.00
TOTAL	14,03,08,468.38	12,54,19,139.19
Less : Project Appropriation	-4,45,31,837.15	-3,80,50,137.00
TOTAL	9,57,76,631.23	8,73,69,002.19

SCHEDULE - N - PRIOR PERIOD ADJUSTMENT

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
A. DEBIT :		
Water and Sewer Tax	4,68,31,307.36	89,07,13,392.06
Water Charges Unmetered	1,39,44,123.99	4,78,90,210.50
Water Charges metered	34,73,598.11	1,85,41,692.23
Sewer Charges	71,14,420.96	2,45,25,200.37
Depreciation	8,43,92,129.54	73,70,411.58
Miscellaneous	0.00	3,04,500.02
SUB TOTAL - A	15,57,55,579.96	98,93,45,406.76
B. CREDIT :		
Water and Sewer Tax	14,39,92,422.10	1,01,52,62,680.29
Water Charges Unmetered	4,02,89,145.45	7,14,39,829.99
Water Charges metered	1,05,86,137.74	1,76,84,813.38
Sewer Charges	1,88,62,094.23	3,48,49,769.73
SUB TOTAL - B	21,37,29,799.52	1,13,92,37,093.39
TOTAL (A-B)	-5,79,74,219.56	-14,98,91,686.63

SCHEDULE - O - DEBT SERVICE CHARGES

DESCRIPTION	2017-18 Rs.	2016-17 Rs.
Interest on govt loans	60,31,34,191.00	61,40,46,295.00
Interest on Private Financial Institutions	18,01,64,397.00	24,85,44,311.00
TOTAL	78,32,98,588.00	86,25,90,606.00
Less: Interest Capitalization	5,56,97,139.00	9,45,39,888.00
TOTAL	72,76,01,449.00	76,80,50,718.00



SCHEDULE – P

SIGNIFICANT ACCOUNTING POLICIES

1) Accounting Concepts:

The financial statements are prepared under the historical cost convention and on “Going Concern” basis. CMWSSB follows mercantile system of accounting.

Contribution from Public – The amount received from the public during the previous financial year towards water/sewer connections is transferred during the subsequent financial year to Contribution from Public.

2) Inventory Valuation:

Stores materials are valued at Weighted Average Cost method.

3) Events occurring after Balance Sheet date:

Events occurring after the Balance Sheet date are those that occur between the Balance Sheet date and the date on which the financial statements are compiled/ approved.

4) Prior period Items:

Income / Expenditure which arises in the current year as a result of omissions in the preparation of financial statements of earlier years are treated as prior period item. Prior period expenses and income have been recognized as per accounting requirements. In addition to that income/expenses relating to previous year which materializes during the current year have also been considered as prior period items.

5) Depreciation:

Depreciation on Fixed Assets is charged on Straight - Line Method (SLM) basis, as per the rates approved by CMWSSB's Board. Depreciation is charged for the full year if assets are brought to accounts before 30th September and for half year if the assets are brought to accounts after 1st October till 31st March. Depreciation on Assets completed and put to use included in Project-In-Progress (PIP), for which Completion Report is awaited, is charged at an adhoc rate of 5%, on SLM basis.

6) Revenue Recognition:

CMWSSB follows mercantile system of accounting and recognizes income and expenses on accrual basis, including provisions / adjustments for committed obligation and amounts determined as payable or receivable during the year excepting, interest on loans to staff and terminal benefits payable to employees, which is accounted on cash basis.

7) Provision For Doubtful Debts:

The provision for Doubtful Debts on Sundry Debtors for Water Charges and Taxes is made/written back, on the differential amount, at 20% and 10% for metered and un-metered Debtors respectively and at 10% for Taxes.

8) Fixed Assets:

Fixed Assets are stated at cost of acquisition / construction, less accumulated Depreciation. Cost is inclusive of the expenditure for installation and erection in bringing Fixed Assets to usable condition. Project-In-Progress (PIP) is accounted with expenses incurred thereon, based on progress of the Project. Salaries, Wages & Allowances, Office expenses & Administrative expenses and Fuel & Lubricants are appropriated to PIP at percentages fixed by the Board.

9) Grants:

Grants from Government are shown separately. No repayment is envisaged in respect of such grants.

10) Investments:

Investments are generally in the form of Fixed Deposits with the Banks which are accounted on the basis of Principal deposit amount. The interest earned on the Fixed Deposits is credited to Income and Expenditure Account, excepting those Fixed Deposits which belong to specific Funds/Projects, in which case the interest earned is credited to respective Funds /Projects account.

11) Retirement Benefits to Employees:

The Terminal Benefits payable to Employees are accounted on cash basis.

12) Borrowing costs:

The borrowing cost attributable to qualifying assets is capitalized.

13) Contingent Liabilities :

Claims against CMWSSB not acknowledged as debts are disclosed as Contingent Liabilities depending on facts of each case and after due evaluation of relevant legal aspects.

14) Liquidated Damages:

The Liquidated damages is to be treated as other income.



SCHEDULE – Q

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

NOTES ON BALANCE SHEET:

I. SCHEDULE - A – CONTRIBUTION :

1. Contribution from Public:

Rs. 748.16 Crores (Previous Year - 693.54 Crores) being the amount received from the public during the previous Financial Year, towards Water/Sewer connections, has been transferred to 'Contribution from Public' during the current financial year.

2. Excess of Assets over Liabilities:

The amount representing Excess of Assets over Liabilities transferred from CMC, PWD and Adhoc Board respectively Rs.15.92 Crores, Rs. 5.19 Crores and Rs.0.08 Crores during the inception of the Board are shown under Schedule A – Contribution, as per the practice in the prior years.

3. Excess of Liabilities over Assets :

Excess of Liabilities over Assets transferred from erstwhile 42 LBs an aggregate of Rs. 43.69 Crores as of 31st March 2018 (Previous Year Rs. 43.69 Crores), shown under Schedule A – Contribution, as per the practice in the previous years.

4. Capital Reserves:

An amount of Rs. 54.39 Crores (Previous Year Rs. 55.62 Crores) received towards Infrastructure Development Charges through Chennai Metropolitan Development Authority (CMDA) and from applicants directly during the year has been credited to Capital Reserve Account, as per the practice in the previous years.

5. Fund :

The fund represents Fixed Asset Renewal Fund for Rs. 110.56 Crores against which investments are made to the extent of Rs. 84.58 crores during the year. The balance in the fund account represents non appropriation of funds towards additions to Fixed Assets in the earlier year/s.

II. SCHEDULE - B –GRANTS FROM GOVERNMENT :Rs. 4480.03 Crores (Previous Year- 4082.26 crores)

The Grants received for various Projects from Government viz. Second Chennai project (SCP), Chennai City River Conservation Project (CCRCP), JNNURM, CMCDM and Urban Local Bodies (ULB) etc are shown separately as detailed hereunder:

1. Grants from Government (SCP and CCRCP) – Rs.488.97 Crores (Previous Year – Rs. 488.97 Crores) :

The balance outstanding in the above account as of 31st March 2018 in respect of the following projects remain the same as prior to the year 2008-09 for SCP (Rs. 137.38 Crores) and since 2009-10 for CCRCP (Rs.351.59 Crores).



**2. Grants from Government (JNNURM) – Rs. 310.94 Crores
(Previous Year Rs. 302.51 Crores):**

The Board has received Grant of Rs.8.42 Crores towards UGSS in various locations and construction of 120 MLD STP at Koyambedu during the year 2017-18.

**3. Grants from Government – Desalination Plant at Nemmeli – Rs. 893.22 Crores
(Previous Year Rs. 893.22 Crores):**

The balance outstanding in the above account is Rs.893.22 crores as of 31st March 2018.

**4. Grants from Government – Others Rs. 1210.84 Crores
(Previous Year Rs. 1139.89 Crores):**

Grant of Rs.70.95 Crores has been received from Government towards 14th CFC & Performance Grants, Infrastructure amenities works, TNIPP- laying of pipeline from Thervoykandigai to Poondi Reservoir, Smart City, DSRF and 400 MLD perur consultancy charges.

**5. Grants from Government - CMCDM (Mega City Project) – Rs. 762.72 Crores
(Previous Year Rs. 675.04 Crores):**

Grant of Rs.42.92 Crores has been received during the current year from Government of Tamil Nadu for Mega City Projects 2013-14 and 2015-16 respectively against the Grants sanctioned under CMCDM for the scheme 2011-12, 2012-13, 2013-14 and 2015-16 of Rs.189 crores, Rs. 390.20crores, Rs.513.33 crores and Rs. 138.40 crores respectively.

**6. Grants from Government – 45MLD TTRO – Rs. 171.49 Crores
Previous Year Rs. 36.39 Crores :**

The Board has received Grant of Rs.135.09 crores towards execution of project - 45 MLD TTRO Plant at Kodungaiyur & Koyambedu during the year 2017-18.

**7. Grants from Government – ULB Grants – Rs. 190.34 Crores
(Previous Year Rs. 190.34 Crores):**

The balance outstanding in the above account as of 31st March 2018 in respect of the ULB grants remain the same from the year 2014-15.

8. Devolution Fund–Rs. 451.51 Crores (Previous Year–Rs. 355.93 Crores) :

The fund represents grants received from State's tax revenue at fixed rate, utilized for Development of Schemes along with Corporation of Chennai.

A sum of Rs. 95.59 Crores (Previous year – 41.15 Crores) received during the year 2017-18 represents the Grant for the months of February 2017 to March 2018. The Grant for the months of February 2017 and March 2017 aggregating Rs. 8.97 Crores was received in April 2017 and hence accounted during the current financial year.



II. SCHEDULE - C – LONG TERM BORROWINGS :

1. Loans from Government – Rs.727.51 Crores (Previous Year – Rs.727.51 Crores):

The loan sanctioned by Tamil Nadu Government represents Chennai Project -I&II and other schemes. There was no repayment of Principal and Interest on these Loans during the year. The total over-dues of principal is Rs. 616.59 Crores and Interest is Rs.794.65 Crores aggregates to Rs.1411.24 Crores as of 31st March 2018.

2. Loans from Financial Institutions – Rs. 380.18 Crores (Previous Year – Rs. 410.10 Crores) :

- a. The erstwhile LBs had availed loans from Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO) and Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL). The Government of Tamil Nadu has been approached for sanction of Grant towards liquidation of dues for the periods from 2012 to 2031 to these two financial institutions, for the revised outstanding amount of Rs. 164.60 Crores. (Rs.129.73 Crores for TUFIDCO and Rs.34.87 Crores for TNUIFSL respectively)
- b. The Loans (MCP, MIDF and JNNURM) availed by the Board from TUFIDCO was defaulted from April 2016.

IV. SCHEDULE - D – DEFERRED CREDITS AND DEPOSITS :

1. MLA Constituency Development Scheme account - Rs. 10.42 Crores – (Previous Year Rs. 5.52 Crores)

The amount received during the year is Rs. 4.90 Crores towards improvement of water and sewer connection in the respective Constituency.

V. SCHEDULE - E – CURRENT LIABILITIES AND PROVISIONS:

1. Other Liabilities-Staff-GPF-Rs.26.13 Crores (PreviousYear-Rs. 32.20 Crores)

General Provident Fund (GPF) balance represents the contribution of Staff/ Labour is after setting off the Advances to Staff/Labour.

2. Other Liabilities –Others

The balances in the respective account codes 5390 and 5410 amounting to Rs. 0.33 crores are outstanding for long period.

The balances outstanding in the general ledger account codes 5360, 5311, 5315, 5370, 5451, 5452, 5480, 5550, 5600, ,5630, 5650, 5660, 5760, 5810 and 5400 amounting to Rs. 62.19 crores showing debit balances is under reconciliation.

VI. SCHEDULE - F - FIXED ASSETS :

1. Fixed Assets includes Rs.81.40 Crores, being Projects commissioned, in respect of three projects viz., SCP, 530 Million liters per Day (MLD) Project, and CCRCP for which Completion Reports are yet to be received. For the above commissioned projects adhoc rate of depreciation (5%) is provided as per the prevailing practice amounting to Rs.4.07 Crores for the financial year 2017-18.

2. Project in Progress (PIP)-Sewerage-Deposit works includes Rs.168.63 Crores, being the expenditure incurred for Madurai and Kumbakonam sewerage works under CCRCP (Madurai Rs.115.73 Crores and Kumbakonam Rs.52.90 Crores respectively) against the deposits received from Madurai – 117.58 crores and Kumbakonam Rs.52.56 Crores respectively. However completion report has been received for major part. There are certain completion report still pending and the amount of which has been treated as PIP.
3. In respect of shortfall in the deposit, the Board Fund is utilized but the interest is not charged for the same. Similarly if there is an excess deposit received, interest is not paid by the Board being the Local Bodies, as per the conventional practice followed by the Board.
4. Salaries, Wages & Allowances, Office & Administrative expenses and Fuel & Lubricants have been appropriated to PIP at the rate of 23%, 30% and 30% respectively.
5. In respect of few of the erstwhile LBs, the assets which were used by them were not owned by them. The LBs were having physical possession of the same. The transfer of ownership with monetary compensation or continuance of existing arrangement is yet to be finalized.
6. The fixed assets inter alia includes Drought Relief Works a sum of Rs.121.13 Crores till 2017-18. Depreciation is not considered on these assets. As the assets put into use during 2010-11 would have outlived and their working condition is unlikely, write off of the said assets after obtaining approval from the appropriate authority is under preparation.
7. The Fixed assets which were commissioned in the earlier years are capitalized during the current year on receipt of respective completion certificates, under the categories Water, Sewerage and General for an aggregate amount of Rs.75.39 crores on which total depreciation of Rs.4.37 crores is charged and accounted under Prior Period Adjustment Account.

VII. SCHEDULE - G - CURRENT ASSETS, LOANS, ADVANCES AND DEPOSITS :

1. Inventory - Rs. 4.26 Crores - (Previous Year - Rs. 11.42 Crores)

- a) The ageing analysis of inventory as of 31st March 2018 is made for which report could not be generated from concerned wing. Non moving/obsolete stock is identified and action is taken for replacement or to be brought for auction.
- b) The Inventory includes balance outstanding in the following two accounts in which there is no movement/ the movement is sporadic, since the year 2011 onwards, in respect of which reconciliation process is initiated.

Shortage of stores (A/c code 8240)	Rs.1.93 crores Dr Balance
Surplus of stores (A/c code 8230)	Rs.1.88 crores Cr balance
- c) Inventory inter alia includes Rs. 5.00 lakhs in Stores Suspense account (comprising of Rs.3.46 lakhs relating RO-II and Rs.1.54 lakhs relating to H.O).
- d) The inventory value as per inventory certificate and the balance outstanding in respective GL account codes of stores account code nos. 8200 to 8225 is not in agreement with each other, for which reconciliation is in progress.



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- e) Inventory includes balances outstanding in the adjustment accounts viz. Stores Control Account, Stores Adjustment, In-transit Inventory Value and Inventory Resources are under reconciliation.

2. Sundry Debtors - Rs. 310.03 Crores (Previous Year - 264.57 Crores):

- a) Provision for doubtful debts has been provided for the sundry debtors under the heads water charges and water and sewer tax outstanding as on 31st March 2018 as per the policy followed by the Board.
- b) Sundry Debtors for Sewerage Service Charges have not been considered for making Provision for Doubtful Debts, as per extant policy.
- c) Sundry Debtors includes a sum of Rs. 1.20 Crores under the account of CMWSSB Group Gratuity Trust.

3. HO/Area Transaction - Rs. 139.51 Crores - (Previous Year - 266.82 Crores):

The balance outstanding in the HO/Area transaction is under reconciliation.

4. Collection Control Account - Rs. 1.10 Crores (Previous Year - 2.63 Crores - net credit balance) :

The balance outstanding in the Collection Control account is under reconciliation.

5. Short Term Deposits with Banks -Rs. 576.52 Crores (Previous Year - 406.49 Crores):

The particulars and breakup of Short Term Deposits in Sweep with Banks as of 31st March 2018, is under reconciliation.

6. Loans and Advances-Rs. 62.23 Crores (Previous Year - 65.52 Crores):

Loans and Advances -Expenses -Rs.1.81 Crores (Previous Year - Rs. 1.76 Crores):

The above includes an amount of Rs.0.67 Crores being advance given to Southern Railways which remain outstanding for more than eleven years.

7. Deposits and Investments-Rs.323.69 Crores (Previous Year - Rs. 354.47 Crores):

Deposits and Investments - Staff/Others

- i) In respect of Investments in the form of Fixed Deposits with Banks, the balance outstanding as per General Ledger (in respective account codes) and the balance outstanding as per Cash Department records is under verification and reconciliation as at 31st March 2018.
- ii) In Interest accrued- Pension Investments account (GL 8523) there is Credit Balance of Rs. 26.68 crores as of 31st March 2018, for which particulars are under analysis and reconciliation.
- iii) In Interest Accrued- Others account (GL 8520), there is a Credit balance of Rs.26.88 crores as of 31st March 2018, for which particulars is under analysis and reconciliation.

NOTES ON INCOME AND EXPENDITURE ACCOUNT:

I. SCHEDULE - H - SALE OF WATER AND SEWERAGE CHARGES

Sale of water - Unmetered - Domestic - Rs. 38.72 Crores (Previous Year - 37.51 Crores)

The amount shown under this head is inclusive of amount pertaining to erstwhile Local Bodies now known as CMWSS Board's Added Areas. However such charges are collected during the year as per the rates applicable in the case of erstwhile LBs instead of CMWSSB's rate, as approved by Board.

II. Grants and Subsidies- Rs. 310.76 Crores (Previous Year - Rs. 304.88 Crores):

1. The above includes Grant from Government of Rs. 175 Crores for purchase of desalinated water from Minjur desalination plant.
2. Government has sanctioned sum of Rs.104 Crores towards Nemmeli O&M and EB expenditure incurred for the period 2011-12 to 2013-14. Out of which Rs.46.02 crores was released during the current financial year 2017-18.

III. SCHEDULE - I - WATER AND SEWERAGE TAX:

Water and Sewer tax- Rs. 176.23 Crores(Previous Year -Rs. 165.96 Crores):

The amount shown under Water and Sewer Tax is inclusive of amount pertaining to the erstwhile Local Bodies now known as CMWSS Board's Added Areas.

IV. SCHEDULE - J - OTHER INCOME

1. Interest from Banks - Rs. 44.45 Crores (Previous year - Rs. 56.06 Crores)

The Term Deposits with Bank as of 31.03.2018 are Rs. 576.52 Crores (Previous year Rs. 406.48 Crores). The interest on Fixed Deposits with Banks have been received before 31st March 2018 and hence no accrued interest for current year.

2. Discount Earned- Rs. 1.74 Crores (Previous year - Rs . 1.81 Crores)

The above amount represents discount availed on payments made by the Board to its suppliers of project materials, before prescribed due date.

3. Sale of Scrap - Rs. 0.06 Crores (Previous year - Rs. 0.47 Crores)

The above amount represents the amount received by the Board for the scrap during the auction of obsolete and unused materials made as scrap after obtaining the orders from competent authority during the year.

V. SCHEDULE - L - PAYMENTS AND PROVISIONS TO EMPLOYEES :

1. Pension :

The accumulated balance in Pension Fund (A/c Code - 5790) is Rs. 92.54 Crores (Previous Year Rs. 92.54 Crores). The amount invested (A/c Code - 8010) is Rs. 141.15 Crores (Previous Year Rs. 139 Crores). Further, an investment ((A/c Code - 8011) of Rs. 28.46 Crores (Previous Year Rs. 13.61 Crores) has been made under Contributory Pension Scheme (CPS). Actuarial Valuation for Pension is being discussed with consultants and will be brought into accounts after ascertaining the liability.



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2. Gratuity :

- a) Group Gratuity Scheme (GGS) / Fund have been created with LIC of India. Contribution to the scheme is charged to revenue.
- b) Actuarial Valuation for Gratuity is being discussed with consultants and will be brought into accounts after ascertaining the liability.

3. Leave Encashment:

The Leave Encashment benefit to the Employees on retirement is accounted on cash basis.

VI. SCHEDULE -O -DEBT SERVICE CHARGES -FINANCIAL INSTITUTONS

The Interest on loan from Financial Institutions during the year is Rs. 18.02 Crores out of which Rs. 5.57 Crores has been capitalized

VII. DEFERRED TAXES:

In view of sustained losses incurred, tax liability may not accrue in near future and hence provision for Deferred Tax has not been made.

1. **Contingent Liabilities:** Pending Court Cases against CMWSSB are 245 (High Court – 206, Other Courts – 39) which are under litigation.
2. Third Party balances are subject to confirmation and reconciliation.
3. Previous year's figures have been suitably regrouped wherever necessary in conformity with current year's classification.

ON BEHALF OF THE CMWSS BOARD

As per our report of even date
For and on behalf of
M.C.RANGANATHAN & CO.,
CHARTERED ACCOUNTANTS
Firm Regn. No.003061S

Sd/-
K. MUTHUKUMARASWAMY
FINANCE DIRECTOR

Sd/-
T.N. HARIHARAN, I.A.S.,
MANAGING DIRECTOR

Sd/-
T.R. CHANDRASEKARAN
PARTNER
M.No.018137
UDIN: 20018137AAAAAR5346

Place : Chennai
Date : 16-11-2020.



**MUNICIPAL ADMINISTRATION & WATER SUPPLY (METRO WATER) DEPARTMENT
TAMIL NADU GOVERNMENT'S REVIEW ON THE WORKING OF
CHENNAI METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD
FOR THE YEAR ENDED 31st MARCH 2018**

A. FINANCIAL:

1. The Chennai Metropolitan Water Supply and Sewerage Board was constituted under the CMWSS Act 1978 (TN Act 28 of 1978) for exclusively attending to the growing needs of the citizens in Chennai city and for planned development, appropriate regulation of water supply and sewerage services in Chennai Metropolitan Area, with particular reference to adequate supply of safe and good quality drinking water, treatment and disposal of sewage and thereby the protection of public health and for all matters connected therewith or incidental thereto.
2. The total assets of the Board as on 31st March 2018 stood at ₹ 8555.52 Crores, consisting of net Fixed Assets of ₹ 7054.53 Crores and current assets of ₹ 1500.98 Crores represented by Sundry Debtors, Loans, Advances and Deposits etc.
3. The total liabilities of the Board stood at ₹ 10010.06 Crores, consisting of Contribution of ₹ 1792.29 Crores, Grants from Government of ₹ 4480.03 Crores, Long Term Borrowings of ₹ 1107.70 Crores and Current Liabilities including Deferred Credits and Deposits of ₹ 2630.04 Crores.

The following statement shows the Revenue Income from Water and Sewerage Charges and Water and Sewerage Tax: (₹ in Lakhs)

	2017-18	2016-17
A. WATER AND SEWERAGE CHARGES		
METERED		
Domestic	1198.59	3818.02
Commercial	12522.08	12261.82
Institutional	1300.45	1323.57
Municipalities	481.54	920.36
UN-METERED		
Domestic	3872.28	3750.65
Commercial	2310.96	1999.44
Institutional	25.88	21.39
Mobile Water Supply to private customers	4633.24	3821.09
Sewerage charges	2209.22	2822.68
Sale of raw / secondary treated sewage	1886.06	1495.08
Total (A)	30440.30	32234.10
B. WATER AND SEWERAGE TAX		
Water Tax	3776.43	3556.31
Sewerage Tax	13846.93	13039.78
Total (B)	17623.36	16596.09
Grand Total (A + B)	48063.66	48830.19
C. OTHER INCOME	8531.31	9546.46
D. PROVISIONS WRITTEN BACK	550.00	63.62
E. GRANTS AND SUBSIDIES	31075.79	30488.35
F. PRIOR PERIOD ADJUSTMENT	579.74	1498.92
TOTAL INCOME - (A+B+C+D+E+F)	88800.50	90427.54
G. EXPENDITURE	105311.58	102445.14
H. DEFICIT	16511.08	12017.60



Chennai Metropolitan Water Supply and Sewerage Board

The Deficit of ₹ 165.11 Crores is due to Non revision of tariff since 2004 and escalation of cost in O & M of the water & sewerage systems.

4. The total income during the year 2017-18 was in the order of ₹ 888.00 Crores and the expenditure was ₹ 1053.11 Crores, resulting in a net deficit of ₹ 165.11 crores, against the deficit of ₹ 120.17 Crores during the previous year (2016-17). The Board is providing effective and efficient services and continues to strive to achieve its goals and objectives, though the total revenue income is lesser than the total expenditure.
5. Every year the Board executes various projects to augment water supply and other related works. Therefore, a portion of interest amount is deducted from the total interest accrued for the year and the same is added to the project expenditure as capitalized interest. During the year a sum of Rs.5.57 Crores was deducted from the total interest of ₹. 78.32 Crores and capitalized. After capitalization of Interest, a sum of ₹ 72.76 Crores has been shown as interest under the Income and Expenditure Account for the year 2017-18.
6. For capacity enhancement and improvements to water supply and sewerage system, the Board has implemented two Desalination Plants, one at Minjur on DBOOT basis and another at Nemmeli with Government of India assistance and several other projects under Jawaharlal Nehru National Urban Renewal Mission (JNNURM), TNUDP III, JICA/JAIOA scheme etc.,

B. PHYSICAL

1.1 Laying of pipeline from the newly formed reservoir at Kannankottai and Thervoykandigai to convey water to the poondi reservoir

The work of laying 900 mm dia. pumping main for transmission of water from the proposed Thervoykandigai reservoir to Krishna canal for a length of 17 Km is completed. The estimated cost is Rs. 93.77 crore.

1.2 Water Supply Schemes under the Chennai Mega City Development Mission (CMCDM)

The Chennai Mega City Development Mission to improve infrastructure and basic amenities in Chennai city with special focus on the newly added areas was launched by the Hon'ble Chief Minister. The status of the works taken up under the scheme is as follows :-

Water supply works taken up under CMCDM

Sl. No.	Name of the Scheme	Est. Cost (₹ in Crs)	Status of Works
2011-12			
1.	Laying of water supply lines in uncovered areas of Slums	23.56	Works completed
2.	Providing Under Ground Tanks and Water filling points in Newly Added areas	12.23	
3.	Replacement of choked water mains / PVC mains	20.71	
2012-13 Water Supply Schemes			
4.	Nolambur	18.00	Works completed
5.	Karambakkam	20.56	
6.	Nandhambakkam	6.00	
7.	Injambakkam	22.30	
8.	Sholinganallur-Karapakkam	35.70	
2013-14 Water Supply Schemes			
9.	Pallikaranai	61.88	Works completed
10.	Mugalivakkam	34.39	
11.	Kottivakkam	23.00	
12.	Perungudi	45.00	
13.	Palavakkam	30.00	
14.	Vadaperumbakkam & Theeyambakkam	20.00	
TOTAL		373.33	

1.3 Jawaharlal Nehru National Urban Renewal Mission (JnNURM)

Under the Jawaharlal Nehru National Urban Renewal Mission, the Government of India was giving a grant of 35% and the State Government was contributing 15% of the project cost as an interest free loan. The status of the works taken up under the scheme are:-



Sl. No.	Name of the Scheme	Est. Cost (₹ in Crs)	Status of Works
1.	Improvement works to water supply system in Chennai city	322.00	Works completed
Water Supply Schemes			
2.	Maduravoyal	23.30	Works completed
3.	Thiruvottiyur	85.11	
4.	Ambattur	267.08	
5.	Alandur improvement works	64.39	
6.	Ullagaram-Puzhuthivakkam	24.24	
TOTAL		786.12	
Deposit works for other Local Bodies			
1	Avadi	103.84	Works completed
TOTAL		103.84	

JnNURM scheme has since been discontinued by the Government of India.

1.4 Tamil Nadu Urban Development Project - III (TNUDP-III)

Sl. No.	Scheme	Est. Cost (₹ in Crs)	Status of Works
1	Pammal	43.10	Works completed
2	Pallavaram	99.95	Works completed
TOTAL		143.05	

1.5 Sewerage services

CMWSSB is providing sewerage services to Chennai city including waste water treatment, reuse of treated water and power generation from Sewage Treatment Plants. Sewage Treatment Plants at Chennai have an installed capacity of 727 MLD.

Sewage generated from houses and other buildings is collected through the sewerage system of a length of 3529 km. This sewage is taken to 273 sewage pumping stations. The sewage system of the city is divided into 5 zones with independent zonal collection, conveyance, treatment and disposal facilities. The collected sewage from pumping stations is conveyed to 12 Sewage Treatment Plants.

Capacity of Sewage Treatment Plants

Sl. No.	Treatment Plant	Capacity in MLD
1	Nesapakkam (3 units)	117
2	Kodungaiyur (3 units)	270
3	Koyambedu (3 units)	214
4	Perungudi (3 units)	126
TOTAL - 12 Units		727

Sewage Treatment Plants under construction

Sl. No.	Location	Capacity in MLD	Estimate cost (₹ in Crore)	Present Stage
1	Thiruvottiyur	31	26.33	Works are completed
2	Sholinganallur I	18	33.71	Works are completed
Total		49	60.04	

The sewerage services of the Board have increased manifold since its inception in 1978.

Improvements in sewerage services

Sl. No.	Description	In 1978	In 2017
1	Length of sewer mains (in Km)	1,223	4250
2	No. of pumping stations	58	250
3	Sewage treatment capacity (MLD)	57	764
4	No. of consumers	1,14,000	8,15,557

During 2017-2018, 13,581 house service connections have been effected in Chennai City.

1.6 Sewerage Schemes taken up under the Chennai Mega City Development Mission (CMCDM)

Under this fund, the following schemes have been taken up in the newly added areas:-

Stage of Under ground Sewerage Schemes in 42 added areas

Total No. of added areas	Works completed	Works in progress	Works to be taken up	Dropped
			DPRs under preparation	
42	15	10	14	3



Chennai Metropolitan Water Supply and Sewerage Board

Underground sewerage schemes have been completed in 15 of the 42 added areas. They are Valasaravakkam, Alandur, Madhavaram, Meenambakkam, Maduravoyal, Surapattu, Puthagaram, Kathirvedu, Nolambur, Porur, Ullagaram-Puzhuthivakkam, Thiruvottiyur, Kathivakkam, Sholinganallur and Karapakkam.

In 10 added areas namely Perungudi, Pallikaranai, Ambattur, Ramapuram, Mugalivakkam, Nerkundram, Manali, Chinna sekkadu, Manapakkam and Karapakkam underground sewerage schemes are under progress.

The UGSS for Edayanchavadi, Sadayankuppam and Kadapakkam are dropped due to low population density. It will be taken up in 2021 after the required population growth.

DPR prepared for the Balance of 14 added areas viz. Injambakkam, Okkiyam-Thoraipakkam, Jalladampettai Nandambakkam, Kottivakkam, Palavakkam, Neelankarai, Madipakkam, Puzhal, Mathur, Theeyambakkam, Vadaperumpakkam, Semmencherry and Uthandi. Posed for funding with World Bank and response awaited.

Sewerage schemes taken up under CMCDM

Sl. No.	Name of the Scheme	Est. Cost (₹ in Crs)	Status of Works
2011-12			
1.	Laying of force mains between pumping stations	9.26	Works completed
2.	Enlargement of Sewage Pumping Mains	20.39	
3.	Insertion of UGSS openings in Mogappair, construction of Roadside pumping stations with submersible pump sets	14.08	
4.	Improvement to existing Sewage Pumping stations	11.24	
5.	Enlargement of sewer mains	31.18	
6.	Procurement of sewerage maintenance equipments	9.90	Machines purchased and deployed
7.	Re-routing and enlargement of Sewage Pumping Mains and allied works	36.55	Works completed
2012-13 Under Ground Sewerage Schemes			
8.	Kathivakkam	86.15	Works completed
9.	Sholinganallur-Karapakkam	110.90	
10.	Procurement of sewerage maintenance equipments	15.20	Machines purchased and deployed
2013-14 Under Ground Sewerage Schemes			
11.	Thiruvottiyur (Annai Sivagami Nagar)	8.51	Works completed
12.	Nolambur	26.01	
13.	Surapattu	35.00	
14.	Puthagaram & Kathirvedu	60.00	
TOTAL		474.37	

1.7 Jawaharlal Nehru National Urban Renewal Mission (JnNURM)

Under the Jawaharlal Nehru National Urban Renewal Mission, the Government of India was giving a grant of 35% and the State Government contribution is 15% as an interest free loan. The works taken up under the scheme are:-

Sl. No.	Name of the Scheme	Est. Cost (₹ in Crs)	Status of Works
1.	Providing water supply and sewerage facilities along Rajiv Gandhi Salai	41.77	Works completed
Under Ground Sewerage Schemes			
2.	Ullagaram-Puzhuthivakkam	28.08	Works completed
3.	Ambattur (Package-II, III, IV & V)	130.91	Works completed
4.	Maduravoyal	57.45	Works completed
5.	Porur	38.29	Works completed
6.	Perungudi	20.72	Works completed
TOTAL		317.22	
Deposit works for other local bodies			
1.	Avadi Municipality	158.05	Works completed
2.	Thirumazhisai Town Panchayat	20.47	Works completed
TOTAL		178.52	

1.8 Tamil Nadu Urban Development Project - III (TNUDP- III)

Under this scheme, assistance has been provided for the following three works:-

Works Taken up under TNUDP-III

Sl. No.	Name of the Scheme	Est. Cost (₹ in Crs)	Status of Works
1	Madhavaram - UGSS	50.22	Works completed
2	Thiruvottiyur - UGSS	67.63	Works completed
3	Ambattur Phase - I - UGSS	65.75	Works completed
TOTAL		183.60	

SHIV DAS MEENA
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT



FINANCIAL SUMMARY – FIVE YEARS AT A GLANCE

(Rs. in Crores)

PARTICULARS	2017-18	2016-17	2015-16	2014-15	2013-14
A. INCOME					
Sale of water & Water and Sewerage Tax	480.64	488.30	448.56	440.37	372.40
Other Income	407.37	415.97	452.70	290.47	343.40
Total Income	888.01	904.27	901.26	730.84	715.80
B. EXPENDITURE					
Salaries & Wages	199.51	201.39	196.72	192.36	157.27
Repairs and Maintenance	555.09	509.69	558.79	465.43	439.47
Interest	72.76	76.80	81.92	91.39	90.57
Depreciation	139.16	154.68	166.86	165.59	146.38
Other Expenditure	86.59	81.89	47.41	93.28	64.84
Total Revenue Expenditure	1053.12	1024.45	1051.70	1008.05	898.53
Excess of Expenditure over Income (A-B) – Deficit	-165.11	-120.18	-150.44	-277.21	-182.73
Contributions	1792.29	1683.28	1627.25	1570.10	1483.68
Grants from Government	4480.03	4082.26	3566.50	3145.59	2507.97
Long term borrowings	1107.70	1137.61	1177.33	1219.83	1267.69
Fixed Assets	7054.53	6644.44	6240.63	5903.27	5452.42
Net Current Assets	-1129.10	-1030.72	-1038.80	-986.56	-934.69
Accumulated Surplus / Deficit	-1454.54	-1289.43	-1169.25	-1018.81	-741.60
No. of employees as at the end of year	2,888	2,811	3,094	3,234	3,483

**REASONS FOR THE DELAY IN PLACING THE
ANNUAL REPORT WITH ANNUAL ACCOUNTS OF
CHENNAI METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD FOR THE
YEAR 2017-18 ON THE TABLE OF THE HOUSE OF LEGISLATIVE ASSEMBLY**

1.	a)	When the Annual Accounts have to be finalized by the Government Companies as per the instructions of the Finance Department.	30.06.2018
	b)	The actual date of finalization of accounts	16.11.2020
	c)	The reason for not finalizing the accounts on due date	<p>The accounts of 42 Local Bodies having cash basis of accounting were integrated with CMWSS Board as accrual basis of accounting and number of area offices has increased from 10 to 15.</p> <p>A consultant was appointed for verification and valuation of the Assets and Liabilities of the 42 Local Bodies, after physical taking over of Assets and Liability to the Board. Delay on part of consultant for submitting the report for valuation of Assets and liabilities of 42 local bodies after Merger, based on which the accounts of erstwhile Local Bodies have been integrated with CMWSS Board accounts. Due to the above reason, the accounts for the financial year 2011-12 and 2012-13 could not be produced to Auditors within the scheduled time.</p> <p>Since there was delay in completion of 2011-12 and 2012-13 accounts there is subsequent delay in completion of 2013-14 accounts.</p> <p>In addition to the above reason, there is delay in completion of 2014-15 accounts because of Rollouts of accounts from Unix to Oracle during 2014-15 which results subsequent delay in completion of accounts for the financial year 2015-16, 2016-17 and 2017-18.</p>



Chennai Metropolitan Water Supply and Sewerage Board

2.	a)	When the auditors have to be appointed to audit the accounts	As and when C&AG recommends the Auditor and approved by Government
	b)	The date on which the auditors were appointed	17.12.2019
	c)	The reasons for not appointing the auditor on the due date	Since the accounts for previous financial years has not been finalized on due date the same could not be provided to auditor for auditing and hence there is delay in appointment of statutory auditor for the financial year 2017-18.
3.	a)	When the auditors have to finalise the audit	31.10.2018
	b)	The actual date of finalizing the audit	16.11.2020
	c)	The reasons for not finalizing the audit on the due date	Since there is a delay in finalizing the accounts as stated in Point No.1(c) and appointment of Auditor as stated in point 2(c) the audit of accounts for financial years 2011-12 to 2017-18 could not be completed on time. Further, the Audit staff was not available to finalise the audit due to COVID-19 lockdown and hence the Auditor could not complete the audit for the financial year 2017-18.
4.	a)	When the comments of the Accountant General have to be obtained	Not Applicable
	b)	The actual date on which the comments were received	Not Applicable
	c)	The reasons for delay if any	Not Applicable
5.	a)	The date on which the Annual Accounts have to be placed before Board Meeting	30.11.2018
	b)	The date on which actually placed	28.12.2020
	c)	The reasons for delay	Since there is a delay in finalizing and auditing the accounts as stated in Point No.1(c), 2(c) and 3(c) there is subsequent delay in placing the accounts before the Board Meeting. Due to COVID-19 lockdown and also renovation work in Head office at Chintatripet and shifting of Head Office to Urban Administration Building at M.R.C.Nagar there is delay



			in placing the accounts before the Board Meeting for the financial year 2017-18.
6.	a)	The date on which the printed annual report have to be received	31.12.2018
	b)	The reasons for not receiving on due date	Since there is a delay in finalizing, auditing and placing the accounts in Board Meeting as stated in Point No.1(c), 2(c) 3(c) and 5(c) there is subsequent delay in printing the Annual Report. In addition, the Annual Report could not be printed, because Election code of conduct is in force. Further, it is informed that the tender process will be initiated for printing the Annual Report after lifting of election code of conduct.
7.	a)	The date on which the accounts have to be sent to the Government	31.12.2018
	b)	The actual date on which the accounts were sent	27.01.2021
	c)	The reason for delay if any	-
8.	a)	The date on which the annual report were received by the Government	-
	b)	The time taken to review the report	-
	c)	Reasons for delay	-
9.	a)	The date on which the annual accounts should be placed on the table of the legislative assembly	Before 31.03.2019
	b)	The date on which the annual accounts should be sent to legislative assembly	Before ensuing session

SHIV DAS MEENA
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT