

September 03, 2021
NZAJ-KHI/AUD/35/21The Managing Director,
Karachi Water and Sewerage Board (the Board)
Karachi

Dear Sir(s)

Financial statements for the year ended June 30, 2009

We are pleased to enclose our draft audit report on the draft financial statements for the year ended June 30, 2009 prepared by the management of the Board and duly initialed by us for identification purposes. We shall be pleased to sign and issue our report with or without further modification after:

- a) The financial statements have been approved and signed by the Managing Director and Deputy Managing Director (Finance):
- b) We have received direct confirmations in respect of Board's bank accounts maintained with the following banks:
 - (i) National Bank of Pakistan -Treasury Account – EOBI House Branch.
 - (ii) United Bank Limited – TKP Account – Shaheed-e- Millat Road Branch.
- c) We have received the Board of Directors resolution specifically approving the following:

Sr.#	Particulars	Rupees
1.	Addition to property, plant and equipment- at cost.	2,454,000
2.	Depreciation for the year.	715,669,961
3.	Amortization of Grant for the year.	14,105,836
4.	Addition in capital work in progress.	1,569,584,773

- d) We have received representation letter duly signed by the Managing Director and Deputy Managing Director (Finance) as per draft provided by us: and
- e) We have received system generated adjusted pre closing and post- closing trial balances.

RESPONSIBILITIES OF THE AUDITORS AND THE MANAGEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors, in an audit of financial statements, are explained in International Standard on auditing 200 "Overall objectives of the independent auditor and the conduct of an audit in accordance with international standards on auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of the financial statements is primarily that of the management in accordance with applicable financial reporting framework, which includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that are free from material misstatement whether due to fraud or error. The management's responsibilities include providing the auditor with;

Nzaj



- (i) all information, including records and documentation for accounts and information related to, other matters that are relevant to the preparation and presentation of the financial statements;
- (ii) any additional information that the auditor may request from the Institution and, where appropriate, those charged with governance; and
- (iii) Unrestricted access to those within the entity from whom the auditor determines it necessary to obtain audit evidence. The audit of the financial statement does not relieve the management of its responsibilities. Accordingly, our Examination of the books of accounts and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements

We would like to draw your attention toward the following important matters:

We will appreciate if the management can go through the following recommendations in order to conclude audit engagement effectively and efficiently.

- A person from the management must be appointed as a coordinator who is only responsible for the work of the Board. His responsibility includes coordination with different divisions, ensuring that information is available before the commencement of audit, balances are properly brought forward from previous year, books of accounts have been closed properly etc.
- Financial statements closing procedures like preparation of management accounts, booking of accrual expenses, preparation of bank reconciliation, recording of accrued revenue and investment income are properly executed at every division. This exercise should be done at least on quarterly basis.

1. Capital Work in Progress - Projects

I. TAMEER E KARACHI PROGRAM:

Capital expenditure amounting to Rs.925,857,807/- on account of Tameer e Karachi Program includes part payment by City District Government Karachi. However, the basis and documentation of payment on behalf of CDGK ranging from 25% to 50% could not be ascertained by the supporting bills.

II. THE GREATER 100 MGD WATER SUPPLY (K-III):

The project is part and parcel of K-III Project, directly financed by the Government of Pakistan as Grant in Aid, to provide an additional 100 MGD water to the city of Karachi. We have observed that the measurement books and their supporting payment vouchers of two major contractors responsible for the execution of 100 MGD K-III project provided to us did not reconcile with the treasury payment register and reconciliation statement.

N2M

**2. Trade Debtors**

It was observed during the course of audit, the management could not take effective measures to recover outstanding dues from defaulters which indicates weak financial management and lack of concentration of the concerned department. Therefore, necessary steps are required to enforce the prescribed procedures for recovery of trade debtors on timely basis.

The Resource and Revenue Generation (R.R.G) department failed to provide the reconciliation summary of active bulk and retail consumers in order to conclude the amount receivable against water and sewerage services. We have observed there is no correlation between I.T and R.R.G department which constrains us to provide reasonable assurance regarding the accuracy of amount outstanding.

3. Availability of Funds Account:

We have not been provided any supporting evidence regarding the availability of funds released by the Provincial and Federal Government for the execution of projects and schemes reflected in the General ledger.

4. Consumers Security Deposit:

The Board does not maintain month wise consumer security deposit ledger due to which the deposits made during the year in lieu of water connection could not be reconciled with the supporting documents provided by the management.

5. Execution of Contracts:

We have not been provided completion reports (PC-I to PC-V) of any of the projects completed during the year. However, the Board should direct the project directors to make it mandatory for the initiation of the projects to maintain project completion reports since the initiation of schemes/projects as mentioned in the manual for development projects.

6. Payment to Contractors:

We observed that management releases part payment to contractors, purely at their discretion, having no supporting evidences attached to the payment vouchers. There is no formal policy or basis adopted by the Board for payment to the contractors.

7. Revenue:

Resource and Revenue Generation Department does not maintain separate billing summary reports for bulk and retail consumers. During the course of audit, we have observed non-reconciliation of collection summary provided by the relevant department with Revenue and Resource Generation department, thus resulted into non-verification of collection recorded in the cash books.

N2M

**8. Expenditure:**

Every payment voucher must be supported by a third party invoice / bill. All financial transactions should be duly authorized and recorded promptly, clearly, accurately, logically and coherently. However, in majority of cases the proper supporting documents were not attached with the payment vouchers.

- **PAYROLL:**

List of employees joined and resigned during the year does not reconcile with the employees monthly payroll sheets.

- **MEDICAL FACILITIES:**

In case of expenditure on account of medical and laboratory facilities to the employees, supporting bills are not attached with the vouchers.

- **LEGAL AND PROFESSIONAL CHARGES:**

We have not been provided the agreements of the legal advisors during the course of audit and we could not ascertain what services have been rendered by them and the payments made to them against those services.

- **SERVICE CHARGES AGAINST COST OF RAW WATER:**

We have not been provided with the agreements with the Government of Sindh (G.O.S) and Water & Power Development Authority (WAPDA) in lieu of irrigation services for making the raw water available to the bulk transmission and distribution.

- **CHEMICALS CONSUMED:**

With respect to expenditure amounting to Rs. 29,663,605/- in lieu of chlorination of raw water, we have observed that no third party evidence is attached to the payment vouchers.

- **REPAIR AND MAINTENANCE OF VEHICLES:**

We have not been provided any Log books, history sheets, vehicle maintenance record against vehicle maintenance expenditure amounting to Rs. 108,421,556 /-

9. Internal audit functions:

It has been noted that internal audit function, apart from pre-audit of payments and post-audit of transactions, may be extended to compliance and monitoring required under its operating manual. Further, we have not been provided any internal audit report. There should be a separate section in finance department instead of audit department which should pre review all large payments as the basic responsibility is that of Finance and not of audit.

NZM

10. Financial and Accounting Policies:

Financial statements closing procedures like preparation of management accounts, booking of accrual expenses, preparation of bank reconciliations, reconciliation of contractor's ledger with the system etc. should be done before the commencement of audit engagement. We have noted that certain departments do not have documented accounting and financial policies and procedures. Further the Key personnel should be made aware of the accounting policies and standard operating procedures that are adopted by the Board. This leads to inconsistencies and non-application of policies.

11. Accounting Software:

We noticed that the computerized accounting software CRT has been employed by the Board since long. However, we are of the view that the software needs updating, particularly with the modernization in the field of finance and accounts.

12. General:

We have been informed by the management that as of the date of financial statements:

All events subsequent to the date of financial statements have either been adjusted or disclosed.

There are no contingencies and commitments other than those disclosed in the enclosed draft financial statements.

We wish to place on records the courtesy and co-operation extended to us by your staff during the course of our audit.


Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants.

KARACHI WATER AND SEWERAGE BOARD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2009

KARACHI WATER AND SEWERAGE BOARD

Auditors' Report**Report on the Financial Statements**

We have audited the annexed balance sheet of Karachi Water and Sewerage Board (the Board) as at June 30, 2009 and the related income and expenditure account and the cash flow statement together with the notes forming part thereof (hereinafter referred to as the "financial statements") for the year then ended.

Management's Responsibility for the Financial Statements

It is the responsibility of the Board's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on the audit conducted in accordance with International Standards on Auditing. Because of the matters described in the 'Basis for Disclaimer' of Opinion paragraph, we were unable to obtain sufficient appropriate audit evidences to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. We have not been provided documentation relating to Long term loan from international lending agencies, Karachi Development Authority and Government of Sindh amounting to Rs. 23,714,550,666, Rs. 103,116,647 and Rs. 57,977,000 respectively as shown in notes no. 6.1, 6.2 and 6.3 to the financial statements, as a result we were unable to determine whether any adjustments might have been found necessary in respect of the said loans and the elements making up the income and expenditure account.
2. Proper record / documentation for Long Term Deposits amounting to Rs. 299,276,139/- stated in the Balance Sheet which represent non-refundable security deposits against water connection is not maintained thus we are unable to verify the completeness of the deposits made during the year.
3. Accrued expenses, as disclosed in note 9.1 to the financial statements, include an amount of Rs. 54,261,450 which represents interest on loan provided by Provincial Government to Karachi Development Authority in 1987 which was subsequently transferred to the Board. However, no documentation has been provided to us to determine the provision for any interest charges subsequent to June 30, 1993 which was required to be made in these financial statements.
4. As disclosed in note 9.1 to the financial statements, an amount of Rs. 4,234,150,942 represents dues outstanding payable to Karachi Electric Supply Corporation (KESCO) on account of electricity charges. The accuracy of the amount could not be ascertained in the absence of related documentation consequently, we are unable to confirm the amount due.

N2M



5. As disclosed in note 9.1.1 to the financial statements, an amount of Rs. 208,478,247 has been shown as payable to employees on account of staff retirement benefits. It includes amount outstanding in lieu of general provident fund of the employees. As per the Sindh General Provident Fund Rules 1938, Government shall pay interest to the credit of the account of an employee subscribed at such rate, as may be prescribed by the Government of Sindh annually. However, the information and amount in respect of opening balances and contribution made to the fund differs from the information provided by the Fund department. Further, no provision of interest has been accounted for in these financial statements; thus, we are unable to assess the adequacy and appropriateness of the amount disclosed in these financial statement in this respect.
6. We were not provided consolidated division-wise fixed assets register as required under Rules nor any details or breakup of Property, Plant and Equipment amounting to Rs. 15,678,346,008 as stated in Balance Sheet were provided, thus, in the absence of such record, we are unable to verify the physical existence of fixed assets.
7. We were not provided the project completion reports relating to Capital Work in Progress amounting to Rs. 17,480,167,297 with respect to various projects in progress as such completion reports are not maintained by the Board. Consequently, we are unable to determine whether the projects have been completed and those are correctly classified and stated in the Balance Sheet.
8. As disclosed in note No. 15.1 to the financial statements, an amount of Rs. 6,645,072,523 represents receivable against water and sewerage charges from consumers of bulk sector. The consumer wise breakup provided by the billing department did not reconcile with the month wise breakup provided by the I.T department. We are thus unable to verify the accuracy of the consumers' billing during the year.
9. Trade debtors amounting to Rs. 8,559,584,878 represents amounts receivable against water and sewerage charges from the retail consumers, which due to transition of the data transmission from the I.T department to the Billing department has resulted in numerous errors. As a result, we have not been able to verify the existence and accuracy of retail consumers shown in the Financial Statements. Moreover, the Board has made a provision of Trade Debts amounting to Rs. 3,839,506,440 for which no basis is shared with us hence we are unable to determine the accuracy of provision against doubtful debts.
10. As disclosed in Note 17 to the financial statements, the amount of Rs. 304,793,307 represents receivable from Karachi Development Authority and Karachi Metropolitan Corporation appearing in the books since the time of forming a separate body corporate under Government of Sindh. However, the management is of the view that the balance will remain constant and there is no subsequent change in the balance. However, the nature of such receivable could not be ascertained and the management could not provide proper documentation in this regard. Therefore, the amount outstanding against Karachi Development Authority and Karachi Metropolitan Corporation remains unconfirmed by the concerned authorities.

N2M



11. No breakup of the Revenue from Water and Sewerage as shown in the Income and expenditure account has been provided to us and in the absence of any supporting document, we are unable to verify the accuracy of the amount in lieu of revenue generated against water and sewerage sources.
12. As disclosed in note 21 to the financial statements, cost of revenue includes expenditure incurred on account of repair and maintenance on the projects once those are completed. As mentioned in the manual for Project development, the project proforma (PC-V) is required to be furnished on an annual basis for a period of five years by the agencies responsible for the operation and maintenance of the projects. However, in the absence of PC (V), the actual amount of capital and revenue expenditure incurred on the projects during the year could not be bifurcated. Therefore, we could not determine the adequacy of the amount representing revenue expenditure on the projects.
13. Confirmations from legal advisors dealing with significant cases have not been received, due to which we have not been able to verify the existence of any legal disputes which may require disclosures of contingencies or which may have a material impact on the financial statements at the reporting date.

Disclaimer of Opinion

Because of the significance of the matters described above in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

NZM


Chartered Accountants

Karachi :

Dated : 01 NOV 2021


KARACHI WATER AND SEWERAGE BOARD

**BALANCE SHEET
AS AT JUNE 30, 2009**

		2009	2008
	Note	Rupees	
RESERVES			
Capital Reserves	4	3,770,914,242	3,770,914,242
Accumulated Deficit		(18,813,532,010)	(16,878,677,264)
FUND ACCOUNT			
	5	19,448,663,747	15,912,339,708
NON CURRENT LIABILITIES			
Long term loans	6	23,875,644,313	25,603,319,686
Long term deposits	7	299,276,139	266,286,115
		24,174,920,452	25,869,605,801
CURRENT LIABILITIES			
Trade creditors	8	1,396,667,629	139,495,335
Accrued and other liabilities	9	4,908,886,816	4,735,160,768
Short term deposits	10	1,126,270,623	918,151,614
Current maturity of long term loans	11	8,898,952,747	6,766,161,724
		16,330,777,815	12,558,969,441
		44,911,744,246	41,233,151,928
CONTINGENCIES AND COMMITMENTS			
	12		
NON CURRENT ASSETS			
Property, plant and equipments	13	15,678,346,008	16,391,561,969
Capital work in progress	14	17,480,167,297	15,910,582,524
		33,158,513,305	32,302,144,493
CURRENT ASSETS			
Trade debtors	15	11,365,150,961	8,215,361,873
Loans and advances	16	16,195,645	5,081,842
Other receivables	17	304,793,307	304,793,307
Cash and bank balances	19	67,091,027	405,770,413
		11,753,230,940	8,931,007,435
		44,911,744,246	41,233,151,928

The annexed notes form an integral part of these financial statements.


MANAGING DIRECTOR

 N2M
DEPUTY MANAGING DIRECTOR
(FINANCE)

**KARACHI WATER AND SEWERAGE BOARD
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2009**

	Note	2009 Rupees	2008
<i>Revenue from water and sewerage</i>	20	5,050,449,855	3,628,242,229
<i>Cost of revenue</i>	21	<u>(4,327,425,080)</u>	<u>(3,475,316,209)</u>
Gross profit		723,024,775	152,926,020
<i>Administrative expenses</i>	22	<u>(704,420,008)</u>	<u>(601,475,156)</u>
Operating profit / loss		18,604,767	(448,549,136)
<i>Other income</i>	24	104,685,105	108,965,768
<i>Other expenses</i>	23	(955,366,618)	(921,142,620)
<i>Financial charges</i>	25	<u>(1,102,778,000)</u>	<u>(1,143,600,000)</u>
Deficit for the year		(1,934,854,746)	(2,404,325,988)
Accumulated deficit brought forward		(16,878,677,264)	(14,474,351,275)
Accumulated deficit carried forward		<u>(18,813,532,010)</u>	<u>(16,878,677,274)</u>

N2M

The annexed notes form an integral part of these financial statements.



MANAGING DIRECTOR

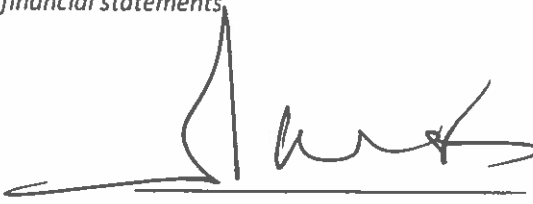

DEPUTY MANAGING DIRECTOR
(FINANCE)

KARACHI WATER AND SEWERAGE BOARD
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

	2009	2008
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
Deficit for the year	(1,934,854,746)	(2,404,325,988)
Adjustment for :		
Depreciation	701,564,125	738,450,509
Operating deficit before working capital changes	(1,233,290,621)	(1,665,875,479)
Working capital changes:		
(Increase) / decrease in current assets		
Trade debtors	(3,149,789,089)	(65,552,538)
Loans and advances	(11,113,803)	(193,282)
	(3,160,902,892)	(65,245,820)
Increase / (decrease) in current liabilities		
Trade creditors	1,257,172,294	119,998,439
Accrued and other liabilities	173,726,048	1,808,285,592
Short term deposits	208,119,009	93,735,417
Current maturity of long term loans	2,132,791,023	754,795,677
	3,771,808,374	2,776,815,125
Net cash (used in) / generated from operation	(622,385,139)	1,045,693,826
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(2,454,000)	(441,204)
Capital work in progress	(1,569,584,773)	(1,574,593,444)
Net cash outflow from investing activities	(1,572,038,773)	(1,575,034,648)
CASH FLOW FROM FINANCING ACTIVITIES		
Grants	3,550,429,875	231,236,465
Long term loans	(1,727,675,373)	(219,271,513)
Long term deposits	32,990,024	22,368,175
Net cash inflow from financing activities	1,855,744,526	34,333,065
Net (decrease) in cash and cash equivalents	(338,679,386)	(495,007,759)
Cash and cash equivalents at the beginning of the year	405,770,413	900,778,171
Cash and cash equivalents at the end of the year	67,091,027	405,770,413

The annexed notes form an integral part of these financial statements


MANAGING DIRECTOR


DEPUTY MANAGING DIRECTOR
(FINANCE)

N2M

**KARACHI WATER AND SEWERAGE BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

1 LEGAL STATUS AND NATURE OF BUSINESS

Karachi Water & Sewerage Board (KW&SB) is a body corporate, established on 21st February 1983 as a Board within the Karachi Metropolitan Corporation (KMC) under Chapter XVI Section 121 of the Sindh Local Government (Amendment) Ordinance, 1983 (the Ordinance).

From that date it took over the water distribution system from Karachi Water Management Board (KWMB), Bulk Water Transmission from Karachi Development Authority (KDA) and sewerage system from Karachi Metropolitan Corporation, in all the districts of Karachi. The KW&SB has been separated from KMC and formed as a body corporate under the direct control of the Government of Sindh (GOS) vide Karachi Water and Sewerage Board Act, 1996 assented, by the Provincial Assembly of Sindh on 15th April, 1996.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Sindh Local Government (Amendment) Ordinance, 1983 (the Ordinance), the Sindh Council (Budget) Rules 1985, the Karachi Water and Sewerage Board Act, 1996 and the generally accepted accounting principles as applicable in Pakistan.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except, for sewerage assets transferred from Karachi Metropolitan Corporation in 1983 and accounted for in the books of accounts in the year 1995-96, on the basis of valuation done by the Board's consultant at the replacement and current market values.

Accrual concepts

These accounts have been prepared on accrual basis, except certain employees benefits expenditure, which are recognized on payment basis. This practice is in accordance with the provision of section 74 sub section (1) and (2) of the Sindh Council (Budget) Rules 1985.

Presentation of Financial Statements

The form of presentation of these financial statements accord generally with the need of major International Lending Agencies.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupees, which is the functional currency of the Company and rounded off to the nearest rupee.

3 Significant Accounting Policies

The principal accounting policies adopted are set out below:

3.1 Government grants

Assets-related to grant received from government are initially recognized in grant as deferred credit and carried to balance sheet and upon completion of the project, are appropriated as income by setting off against the charge of depreciation as given in note 13.1 on a systematic basis over the useful life of the related assets.

3.2 Creditors, accrued and other liabilities

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

NZA

3.3 Short-term deposits

These represent work executed on the authorization / approval of GOS and, other agencies through contractors and excess of work done over payments to contractors on account of specific work is classified as short-term deposits

3.4 Staff retirement benefits

According to the Ordinance, the Pension, Gratuity and other service benefits admissible to employees of Karachi Development Authority, Karachi Metropolitan Corporation and Karachi Water Management Board, who retired or died while serving in Water Supply and Sewerage Services before the commencement of the Ordinance shall be the responsibility of the Board. Payment in respect of all staff retirement benefits whenever due are being made by the Board and duly accounted for in the books of accounts, annual provisions are made to meet the obligation of pension and other employees benefits.

3.5 Property, Plant and equipment

Fixed assets are stated at cost less accumulated depreciation. Depreciation on fixed assets except land is charged to income applying the reducing balance method at the rate specified in the Income Tax Ordinance, 1979 except in the case of motor vehicles which are depreciated @ 10% per annum.

In respect of additions, depreciation is charged for the full year and no depreciation is charged on deletions in the year of disposal. Gains and losses, if any, on disposal of assets during the year are taken to income and expenditure account.

The assets shown under 'schemes' represents capital expenditure incurred on the specific Schemes and Projects. These include cost of pipelines, civil works, equipments, furniture and establishment expenditure. Expenses on minor repairs, improvement and development of pipelines etc., are charged to income and expenditure account as and when incurred.

Assets taken over from KMC in 1983 were incorporated in these accounts as fixed assets during the year 1995-96 on the basis of a valuation placed by Board's consultants. The related credit has been accounted for as capital reserve. Depreciation is being charged from the date of incorporation of these assets in the books of accounts of the Board.

Sewerage assets generally include mains, sewers, impounding and pumped raw water storage reservoirs and sludge pipelines and plants and machinery

Expenditure relating to increase in capacity or enhancement of the network is treated as additions to the sewerage assets. Expenditure on maintaining the operating capabilities of network is charged as operating costs.

Sewerage assets are depreciated over their estimated operational economic lives. Assets in the course of construction are not depreciated until commissioned.

3.6 Capital work in progress

Capital work-in-progress is stated at cost less accumulated impairment, if any, and consists of expenditure incurred and advances made in respect of property, plant and equipment in the course of the acquisition, erection, construction and installation, including salaries and wages and any other costs directly attributable to capital work-in-progress. The assets are transferred to relevant category of operating fixed assets when those are available for use. Spare parts, standby equipment and servicing equipment are recognised as property plant and equipment when these meet the conditions to be classified as such.

3.7 Stores and spares

Stores and spares are valued on average cost. Stores and spares purchased for projects are charged off to relevant projects irrespective of their physical consumption/usage. Other direct purchases of stores and spares are charged to relevant budget grants. The applicability of the provision of Para 115 (b) Section II of Sindh Financial Rules relating to the valuation of the inventories in hand at the end of the year are not considered due to their insignificant value at the close of the year.

A22

3.8 Trade debts

Trade and other receivables are recognized at fair value and subsequently measured at amortised cost less impairment losses, if any. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.9 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include current and deposit accounts held with banks. A Treasury Single Account (TSA) is a unified structure of government bank accounts that gives a consolidated view of government cash resources. Based on the principle of unity of cash and the unity of treasury, a TSA is a bank account or a set of linked accounts through which the government transacts all its receipts and payments.

3.10 Provision for doubtful debts

The Board's policy for provision for doubtful debts is made as per the following estimates.

Debtors outstanding for the period:

1-2 Years	5%
2-3 Years	10%
3-4 Years	15%
4-5 Years	50%
5 Years and above	100%

3.11 Revenue recognition

Income on account of water and sewerage charges is recognized on accrual basis.

Interest income from banks is accounted for on the basis of actual receipts net of withholding tax.

3.12 Expenses

All expenses are recognized in the profit and loss account on an accrual basis.

3.13 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

N2M

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

		2009	2008
		Rupees	
4 Capital Reserves			
<i>Excess of assets over liabilities transferred from KDA</i>	4.1	950,718,551	950,718,551
<i>Excess of liabilities over assets transferred from KWMB</i>		(110,298,456)	(110,298,456)
<i>Bulk water cost payable to KDA by KMC on behalf of KWMB</i>		144,229,751	144,229,751
		33,931,295	33,931,295
<i>Assets transferred from KMC</i>	4.2	2,763,163,938	2,763,163,938
<i>Debtors balances</i>	4.3	23,100,458	23,100,458
		<u>3,770,914,242</u>	<u>3,770,914,242</u>

4.1 These represents:

<i>Debentures treated as grant to be settled under terms of memorandum of understanding</i>	4.1.1	1,109,787,500	1,109,787,500
<i>Purchase creditors</i>		1,214,866	1,214,866
<i>Deposits and other liabilities</i>		35,081,135	35,081,135
<i>Employees contribution funds net of investments</i>		32,202,632	32,202,632
<i>Long term loans due for repayment</i>		105,369,074	105,369,074
<i>Debit balance of reserves</i>		(259,932,201)	(259,932,201)
<i>Water charges receivable - net</i>		(63,962,051)	(63,962,051)
<i>Other receivables and dues</i>		(9,042,404)	(9,042,404)
		<u>(332,936,656)</u>	<u>(332,936,656)</u>
		<u>950,718,551</u>	<u>950,718,551</u>

These are incorporated in the books of account of the Board on the basis of consultant's reports. Such reports were approved by the Board in its meeting held on April 17, 1986.

- 4.1.1 These debentures were issued by the KDA and at the time of taking over of assets and liabilities these were incorporated as capital reserves and hence no interest has been charged in accounts since 1983.
- 4.2 This represents assets transferred from KMC in 1983. Due to non-availability of proper record, these were not taken into account in earlier years upon the transfer. A consultant was appointed to carry out the valuation of these assets. The consultant's report was considered by the Board and value assigned to these assets by the consultant were incorporated in these financial statements.
- 4.3 This represents the net effect of restatement of consumers receivable on account of balance outstanding against water bills abtained from input into the computer system.

5 FUND ACCOUNT

Funds released by Federal and Provincial Government for:

<i>The Greater 100 MGD Water Supply (K-III) Project</i>	5.2	7,079,618,410	6,587,298,940
<i>Tameer-e-Karachi Programme</i>	5.3	3,542,040,659	482,195,774
<i>Foreign aided projects</i>	5.1	3,991,728,491	3,991,728,491
		14,613,387,560	11,061,223,205
<i>Grant from Government of Sindh</i>	5.4	4,835,276,187	4,851,116,503
		<u>19,448,663,747</u>	<u>15,912,339,708</u>

5.1 Foreign aided projects

<i>Counter part funding by international lending agencies</i>	3,664,377,664	3,664,377,664
<i>Counter part funding by Overseas Development Association</i>	327,350,827	327,350,827
	<u>3,991,728,491</u>	<u>3,991,728,491</u>

- 5.2 This represents fund released by the Federal Government as *Grant in Aid* for the execution of the Greater 100 MGD Water Supply (K-III) Project. The Board undertakes its execution through local contractors for all civil, electrical and mechanical works.

- 5.3 This represents release of fund from Provincial Government and City District Government Karachi (CDGK), as the program is envisaged to be carried out through their concerted efforts. It is to facilitate the construction and rehabilitation of roads, bridges and flyovers, rehabilitation of rivers and nullahs, removal of transport bottlenecks, expansion and improvement of water supply, drainage and sewerage services.

NM

- 5.4 This represents the amount adjusted by the Federal Adjuster Government of Pakistan (G.O.P) out of monthly releases of Government of Sindh (G.O.S) on account of Karachi Electric Supply Corporation (K.E.S.C), dues payable by the Board vide Government of Sindh (G.O.S) letter No. FD (W&M-I) 14(16)/95, dated April 23, 1996 and further confirmation by Chief Controller Billing (K.E.S.C). Previously, this amount was treated as liability, now the management of the board is of the view that this amount will not be demanded by the Government of Sindh (G.O.S) thus it is no longer considered as liability.

	2009	2008
	Rupees	
6 LONG TERM LOANS		
Loan from International lending agencies	6.1 23,714,550,666	25,447,316,039
Provincial government loan transferred from KDA	6.2 103,116,647	98,026,647
Loan from Government of Sindh	6.3 57,977,000	57,977,000
	23,875,644,313	25,603,319,686
6.1 International Lending Agencies		
International Development Association (IDA)		
-1374 PAK		
Principal	253,702,000	285,580,000
Financial charges	91,411,430	121,980,430
	345,113,430	407,560,430
-1652 PAK		
Principal	498,308,922	536,023,256
Financial charges	262,928,078	320,865,078
	761,237,000	856,888,334
-1987 PAK		
Principal	6,369,379,992	6,537,191,250
Financial charges	6,258,114,008	6,974,233,008
	12,627,494,000	13,511,424,258
	13,733,844,430	14,775,873,022
Asian Development Bank (ADB)		
-SF-793 PAK		
Principal	665,495,566	751,745,566
Financial charges	271,560,434	320,499,434
	937,056,000	1,072,245,000
-SF-1001 PAK / 1002 PAK		
Principal	2,390,947,422	2,481,667,422
Financial charges	2,268,107,578	2,437,951,578
	4,659,055,000	4,919,619,000
	5,596,111,000	5,991,864,000
Commonwealth Development Corporation (CDC)		
-L-2747-01		
Principal	763,329,306	889,114,306
Financial charges	403,582,694	492,251,694
	1,166,912,000	1,381,366,000
Overseas Economic Co-operation Fund (OECF)		
-PK-P40		
Principal	3,003,964,764	3,056,172,312
Financial charges	213,718,472	242,040,705
	3,217,683,236	3,298,213,017
	23,714,550,666	25,447,316,039

Represent loans and related financial charges made available to Karachi Water and Sewerage Board by Federal Government through Government of Sindh and Karachi Metropolitan Corporation. The loan wise summary of covenants is as follows:

6.1.1	Loan Number	1374-Pak	1652-Pak	1987-Pak	SF-793 Pak	SF-1001 Pak	SF-1002 Pak	L-2747-01	PK P40
	Date of main agreement	30-06-83	24-02-86	19-05-93	-	19-03-90	19-03-90	25-02-90	-
	Lending Agency	IDA	IDA	IDA	ADB	ADB	ADB	CDC	OECE
	Agreed amount of loan (in SDR million)	23.00	19.45	163.50	17.89	39.91	26.61	25.00	200.00
	Financial charges annually (%)	11.00	11.00	11.00	7.00	7.00	7.00	11.00	10.00
	Other charges								
	Commitment Charges annually (%)	0.50	0.50	0.50	-	0.75	0.75	0.75	0.10
	Service Charges annually (%)	0.75	0.75	0.75	-	0.10	0.10	-	0.10
	Repayment period in Years	25	25	25	25	35	25	13	21
	Grace period in years	5	6	6	5	10	10	5	5
	No of biannual installments	40	38	40	40	50	40	26	41
	Prepayment date each year	01-Mar & 01-Sept	15-May & 15-Nov	15-Mar & 01-Sept	15-Mar & 15-Nov	15-June & 15-Dec	15-June & 15-Dec	15-Apr & 15-Oct	20-May & 20-Nov
	Repayment starting date	9-Jan-96	15-May-00	1-Sep-04	15-May-01	15-Dec-07	15-Dec-07	15-Oct-02	6-Aug-06
	Representing share of agency % against major works	75	78	80	78	80	80	100	100
	Date of financial closure	31-Oct-91	30-Dec-93	30-Jun-98	31-Dec-95	30-Sep-97	30-Sep-97	30-Sep-97	30-Sep-97

N24

- 6.1.2 Other charges represent commitment and service charges payable semi annually to the Provincial Government by the Karachi Metropolitan Corporation on behalf of the Board.
- 6.2 This represent loans transferred from Karachi Development Authority in 1986-87 and accordingly accounted for in these accounts at the principal amount thereof. No provision for interest subsequent to June 30, 1993 has been made in these accounts as the management of the Board considers that such provision is not required.
- 6.3 It includes loan of Rs. 10,000,000/- transferred from Karachi Water and Management Board at the time of taken over its assets and liabilities. This loan was provided for installation of community tap system at Orangi. The balance represents funds released by Government of Sindh for the execution of various development schemes.

		2009	2008
		Rupees	
7 Long term Deposits			
Consumers security deposits	7.1	<u>299,276,139</u>	<u>266,286,115</u>
7.1 Movement in deposits			
Balance as at July 01, 2008		266,286,115	243,917,940
Add: Deposits made during the year	7.1.1	<u>32,990,024</u>	<u>22,368,175</u>
Balance as at June 30, 2009		<u>299,276,139</u>	<u>266,286,115</u>
7.1.1 These represents deposits from consumers which are repayable at the time when meter connection of consumer is permanently disconnected after adjustment thereof against any amount receivable.			
8 Trade Creditors			
Payable to contractors for work executed		<u>1,396,667,629</u>	<u>139,495,335</u>
9 Accrued and other liabilities			
Accrued expenses	9.1	4,894,738,708	4,730,301,576
Other liabilities	9.3	<u>14,148,108</u>	<u>4,859,192</u>
		<u>4,908,886,816</u>	<u>4,735,160,768</u>
9.1 Accrued expenses			
Payable to Karachi Electric Supply Corporation		4,234,150,942	4,167,846,972
Payable against medical facilities		7,865,845	-
Payable to employees	9.1.1	208,478,247	119,490,930
Payable against share of fire and conservancy	9.1.2	381,617,034	381,617,034
Payable against gas charges		2,235,190	2,235,190
Interest payable on loans transferred from KDA and KWMB	9.1.3	54,261,450	54,261,450
Audit Remuneration		6,130,000	4,850,000
		<u>4,894,738,708</u>	<u>4,730,301,576</u>
9.1.1 The Board makes an aggregate provision of 18 percent per annum on account of staff retirement benefits. The Board considers this provision adequate enough to pay off its employees at the time of their completion of service period.			
9.1.2 This represent share of fire and conservancy charges payable to City District Government Karachi in conjunction with the water and sewerage bill, an invoice is rendered by the Board on behalf of CDGK to recover 25% of water bill in lieu of conservancy charges inorder to meet the cost of solid waste services and 10% of water bill against meeting the cost of fire fighting department.			
9.1.3 This represents interest payable against loan incorporated in 1986-87 from Karachi Development Authority and Karachi Water & Management Board . However no provision of interest has been made in these financial statements.			
9.3 Other liabilities			
Unpaid wages	9.3.1	3,036,673	4,587,801
Withholding tax payable		10,840,044	-
Zakat payable	9.3.2	<u>271,391</u>	<u>271,391</u>
		<u>14,148,108</u>	<u>4,859,192</u>
9.3.1 This represents the amount on account of wages, to labour staff allotted to the projects or schemes, that remains unclaimed at the time of payment.			
9.3.2 This represents zakat deducted from employees at the time of final settlement of their dues.			

N21

		2009	2008	
		Rupees		
10	SHORT TERM DEPOSITS			
	Security deposit from contractor	10.1	1,126,270,623	918,151,614
10.1	This represents refundable earnest money received from contractors in connection with award of contracts for the execution of work on projects or schemes by the Board.			
11	Current maturity of long term loans			
	International Lending Agencies	11.1	8,866,629,347	6,733,838,324
	Loan by Provincial Government transferred from KDA		32,323,400	32,323,400
			8,898,952,747	6,766,161,724
11.1	International Lending Agencies			
	International Development Association (IDA)			
	-1374 PAK			
	Principal		208,690,979	176,767,979
	Financial charges		658,220,163	627,651,163
			866,911,142	804,358,142
	-1652 PAK			
	Principal		215,261,452	177,741,452
	Financial charges		794,746,547	736,809,547
			1,010,007,999	914,550,999
			1,876,919,141	1,718,909,141
	Payment made against loan:			
	Year 1999-2000		(40,000,000)	(40,000,000)
	Year 2000-2001		(40,000,000)	(40,000,000)
			(80,000,000)	(80,000,000)
			1,796,919,141	1,638,909,141
	-1987 PAK			
	Principal		832,585,331	646,518,331
	Financial charges		3,655,128,874	2,322,571,851
			4,487,714,205	2,969,090,182
	Asian Development Bank (ADB)			
	-SF-793 PAK			
	Principal		354,680,158	310,100,158
	Financial charges		580,479,843	531,540,843
			935,160,001	841,641,001
	-SF-1001 PAK / 1002 PAK			
	Principal		151,046,000	104,116,000
	Financial charges		607,666,000	437,822,000
			758,712,000	541,938,000
			1,693,872,001	1,383,579,001
	Commonwealth Development Corporation (CDC)			
	-L-2747-01			
	Principal		260,178,698	202,983,698
	Financial charges		692,945,302	604,276,302
			953,124,000	807,260,000
	Payment made against loan:			
	Year 2001-2002		(65,000,000)	(65,000,000)
			888,124,000	742,260,000
			8,866,629,347	6,733,838,324

12 CONTINGENCIES AND COMMITMENTS

- 12.1 As referred in note 4.1 to these financial statements, the matter is in litigation in High Court and Lower Court. However, the management and legal advisor are hopeful that the matter will be decided in favor of the Board and the Board will not be required to make payment in respect of principal amount of debenture and related interest thereon.

N2M

	2009	2008
	Rupees	
13 PROPERTY, PLANT AND EQUIPMENT		
13.1 The property, plant and equipment scheduled is attached	13.1	15,678,346,008
		16,391,561,969
14 CAPITAL WORK IN PROGRESS		
Movement for capital work in progress is as follows		
Opening balance		15,910,582,524
Additions during the year		1,569,584,773
Transfers during the year		-
Closing balance		17,480,167,297
Foreign Aided Projects		
Karachi Water Supply and Sanitation Project under Commonwealth Development Corporation (CDC)		3,349,239,116
Improvement Project under Overseas Economic Co-operation Fund (OECE) - PK-P40 Japan		3,720,572,260
	14.1	7,069,811,376
Bank balances with Foreign aided projects	14.2	8,479,429
		7,078,290,805
Government Aided Projects		
Pumping Conveyance Improvement System	14.3	639,328,761
The Greater 100 MGD water supply (K-III)	14.4	6,563,142,952
Tameer-e-Karachi programme	14.5	3,199,404,779
		10,401,876,492
		17,480,167,297

14.1 This represents projects executed by KW&SB funded by Federal and Provincial Governments as counter part funding by the international lending agencies. The proceeds of loan under Commonwealth Development Corporation (C.D.C) and Overseas Co-operation Fund (O.E.C.F) PK-P40 Japan are channelled through the Government of Sindh (G.O.S) which, in turn, lend it to the Karachi Metropolitan Corporation (KMC) at an annual interest rate of 11%. However it further lend the proceeds to the executing agency, Karachi Water and Sewerage Board (KW&SB) on the same terms. The projects aim to increase the quality, reliability, and coverage of water supply, waste water and solid waste management services in participating towns.

14.2 This represents balances in the banks associated with projects which are still outstanding.

14.3 The Board undertakes various schemes from the allocation of fund by the Government of Sindh (G.O.S) and other agencies. The Board is benefited from the ultimate use of such assets and the revenue generated there from. A review of such schemes was carried out based on the book value.

14.4 This represents capital expenditure on Greater 100 MGD water supply (K-III) to increase potable bulk water supply and further augment water availability by introducing water loss reduction measures. It is financed through Government of Pakistan (G.O.P) as Grant in Aid for water supply sector. The Project is the part and parcel of K-III Scheme to provide an additional 100MGD water to the city of Karachi

14.5 This represents capital expenditure on the Tameer-e-Karachi Programme (TKP), geared specifically towards rebuilding Karachi (and to some extent, Sindh) by providing vital physical infrastructure and other civic amenities in key target locations, particularly in the industrial areas through the concerted efforts of the CDGK, and the Provincial government.

	2009	2008
	Rupees	
15 Trade debtors		
15.1 Receivable from Bulk Consumers against		
- Water charges	3,599,849,122	2,869,185,931
- Sewerage services	3,045,223,401	1,628,689,037
	6,645,072,523	4,497,874,968
15.2 Receivable from Retail Consumers against		
- Water charges	5,114,462,184	4,948,684,723
- Sewerage services	3,445,122,694	2,355,786,128
	8,559,584,878	7,304,470,851
Less: Provision for doubtful debts	(3,839,506,440)	(3,586,983,947)
	11,365,150,961	8,215,361,873

N24

		2009	2008
		Rupees	
16 Loans and advances			
Advances to employees - unsecured			
House Building	16.1	13,532,978	4,931,248
Motor Cycle		1,611,443	80,678
Marriage		1,051,224	69,916
		<u>16,195,645</u>	<u>5,081,842</u>
16.1	This represents advance to employees in order to facilitate in the construction of their house. The amount shall be granted to employees who have completed their probationary period and are subscribed to General Provident Fund of KW&SB. Furthermore, the amount so granted is interest free for the employees below the BPS 16. However, the interest on house building loan of officers BPS 16 and above, is payable at such rates as may be fixed by the Government of Sindh.		
17 Other Receivables			
Receivable against subsidy from:			
- Karachi Development Authority (KDA)		98,306,126	98,306,126
- Karachi Metropolitan Corporation (KMC)	17.1	<u>206,487,181</u>	<u>206,487,181</u>
		<u>304,793,307</u>	<u>304,793,307</u>
17.1 Receivable from Karachi Metropolitan Corporation (KMC)			
Balance as at July 01 2006		408,199,380	408,199,380
Share of fire and conservancy payable		(201,712,199)	(201,712,199)
Subsidy receivable from Karachi Metropolitan Corporation-KMC		<u>206,487,181</u>	<u>206,487,181</u>
17.1	The balance remain static and reported accordingly during the year.		
19 Cash and bank balances			
Cash at banks			
- Current accounts		20,812,672	363,246,276
- Deposit accounts	19.1	<u>46,278,355</u>	<u>42,524,137</u>
		<u>67,091,027</u>	<u>405,770,413</u>
19.1	It carries profit ranging from 0.5% to 2 % (2008: 0.5% to 2%) per annum.		
20 Revenue from Water & Sewerage			
Income from water			
Bulk consumers		3,286,999,767	2,252,783,188
Retail consumers		<u>868,606,319</u>	<u>838,895,004</u>
		<u>4,155,606,086</u>	<u>3,091,678,192</u>
Income from Sewerage			
Bulk consumers		616,545,704	277,799,133
Retail consumers		<u>278,298,065</u>	<u>258,764,904</u>
		<u>894,843,769</u>	<u>536,564,037</u>
The KW&SB revenue is generated by the supply of water and sewerage services to all the consumers in Karachi. The consumers are divided into two broad categories - Bulk and Retail. Bulk consumers mainly comprises of large customers such as organisations and departments, they are billed according to the meter readings on a monthly basis. However, retail consumers are classified into residential, commercial, industrial, religious and educational sectors and are billed on annual basis at the Tariff rates as applicable.			
21 Cost of Revenue			
Salaries and other benefits		1,925,308,167	1,059,462,858
Service charges against cost of raw water		8,588,210	6,511,656
Chemicals consumed		29,663,605	43,363,410
Fuel for pumping stations		159,850,502	85,418,793
Electricity and gas charges		347,411,489	2,072,501,144
Repair and maintenance		<u>1,856,603,107</u>	<u>208,058,348</u>
		<u>4,327,425,080</u>	<u>3,475,316,209</u>

N21

	2009	2008
	Rupees	
22 Administrative expenses		
Salaries and other benefits	426,685,546	343,187,403
Repair and maintenance	56,443,465	73,694,967
Utilities	5,461,460	5,008,170
Vehicle running expense	108,421,556	71,133,045
Automation of Billing	55,096,670	52,714,605
Legal and professional charges	2,000,000	1,100,948
Entertainment	377,632	361,613
Printing and stationery	5,771,344	4,442,883
Advertisement	7,079,488	16,963,219
Books and periodicals	222,977	171,266
Miscellaneous	36,859,870	32,697,037
	<u>704,420,008</u>	<u>601,475,156</u>
23 OTHER EXPENSES		
Audit Remuneration	1,280,000	1,280,000
Depreciation	23.1 701,564,125	738,450,509
Bad debts expense	<u>252,522,493</u>	<u>181,412,111</u>
	<u>955,366,618</u>	<u>921,142,620</u>

23.1 Depreciation

Expense for the year	715,669,961	753,396,109
less: Amortization of grant	23.1.1 (14,105,836)	(14,945,600)
	<u>701,564,125</u>	<u>738,450,509</u>

23.1.1 This represents such portion of the grant as is recognized in income upon capitalization of related assets.

24 OTHER INCOME

Profit from bank	24.1 17,246,811	34,612,214
Receipts against water surcharge	24.2 87,438,294	74,353,554
	<u>104,685,105</u>	<u>108,965,768</u>

24.1 This represents profit / mark up net of withholding tax earned on PLS bank accounts.

24.2 This represents receipts against water supply allowed to the contractors for the work carried out on the projects or schemes. These charges are deducted against the bill at the rate of 0.5% of the total cost of work for drinking purposes and 1% of total cost of work for construction purposes.

25 FINANCIAL CHARGES

International Development Association (IDA)

-1374 PAK	30,509,000	33,760,000
-1652 PAK	58,040,000	61,840,000
-1987 PAK	705,959,000	725,890,000
	<u>794,508,000</u>	<u>821,490,000</u>

Asian Development Bank (ADB)

SF-793 PAK	48,875,000	51,840,000
SF-1001 PAK / 1002 PAK	169,868,000	172,990,000
	<u>218,743,000</u>	<u>224,830,000</u>

Commonwealth Development Corporation (CDC)

-L-2747-01	89,527,000	97,280,000
	<u>1,102,778,000</u>	<u>1,143,600,000</u>

25.1 Financial charges are inclusive of exchange risks charges on the principal amount of the loan withdrawn by the Karachi Metropolitan

26 General

The figures have been rounded off to the nearest rupees. Corresponding figures have been rearranged/ reclassified for comparison, there is no material impact of such reclassifications.

27 Date of issue

These financial statements have been authorized for issue on 03-09-21 by the Board.


MANAGING DIRECTOR

N2M

DEPUTY MANAGING DIRECTOR
(FINANCE)

13.1	Particulars	COST			DEPRECIATION			Book value as at 30 June 2009	Rate %		
		As on 01 July 2008	Addition	(Deletion)	As at 30 June 2009	As on 01 July 2008	On Disposal			Charge For The Year	
Amount in Rupees											
SCHEMES											
	Renovation of sewerage in P.E.H.S	61,675,178			61,675,178	42,132,601		977,129	43,109,730	18,565,448	5%
	Lyari Sewerage Scheme	149,622,108			149,622,108	100,362,564		2,462,977	102,825,541	46,796,567	5%
	Renovation of Water Supply NH and FB area	72,005,309			72,005,309	47,645,723		1,217,979	48,863,702	23,141,607	5%
	Foreign & Govt aided Projects	737,449,268			737,449,268	253,320,926		24,206,417	277,527,343	459,921,925	5%
	KCH water supply projects 1374 PAK	824,770,622			824,770,622	365,930,576		22,942,002	388,872,579	435,898,043	5%
	KSDP-JDA 1652 PAK	1,185,262,942			1,185,262,942	606,229,988		28,951,648	635,181,635	550,081,307	5%
	KSDP - ADB 793 PAK	1,377,733,977			1,377,733,977	633,261,500		37,223,624	670,485,124	707,248,853	5%
	KSDP - ADB 1001/1002 PAK (SF)	3,464,437,398			3,464,437,398	1,280,450,069		109,199,366	1,389,649,436	2,074,787,962	5%
	KCH water supply project JDA 1987 - PAK	13,658,633,237			13,658,633,237	4,597,216,887		453,070,817	5,050,287,705	8,608,345,532	5%
		21,531,590,039			21,531,590,039	7,210,496,140		680,251,960	8,606,802,795	12,924,787,244	
TRANSFERRED / SCHEMES ASSETS											
	Schemes from KVVMB	4,680,897			4,680,897	3,313,258		69,382	3,381,639	1,299,258	5%
	Schemes from KDA	1,170,475,891			1,170,475,891	873,267,233		14,860,433	888,127,666	282,348,225	5%
		1,175,156,788			1,175,156,788	876,580,490		14,928,815	891,509,305	283,647,483	
SEWERAGE ASSETS TRANSFERRED FROM KMC											
	Land	2,137,384,485			2,137,384,485					2,137,384,485	
	Building	192,635,109			192,635,209	93,747,450		4,944,388	98,691,838	93,943,371	5%
	Plant & Machinery	49,452,017			49,452,017	36,881,979		1,257,004	38,138,982	11,313,035	10%
	Underground Pipelines	383,692,227			383,692,227	186,726,860		9,848,268	196,575,128	187,117,099	5%
		2,763,163,938			2,763,163,938	317,356,289		16,049,660	333,405,949	2,429,757,989	
OTHER ASSETS											
	Office building	945,000			945,000	549,876		19,756	569,632	375,368	5%
	Vehicles	46,816,570	1,500,000		48,316,570	39,665,653		865,092	40,530,744	7,785,826	10%
	Office equipment and furniture	27,817,029	954,000		28,771,029	17,922,168		1,084,886	19,007,054	9,763,975	10%
	Machinery and equipments	131,132,453			131,132,453	116,090,606		1,504,185	117,594,791	13,537,662	10%
	Sewerage cleaning machines	35,439,740			35,439,740	25,787,407		965,233	26,752,640	8,687,100	10%
	Other minor fixed assets	5,019,129			5,019,129	5,015,394		373	5,015,768	3,361	10%
		247,169,921	2,454,000		249,623,921	205,031,103		4,439,576	209,470,629	40,153,292	
	As at 30 June, 2009	25,717,080,686	2,454,000		25,719,534,686	8,609,464,022		715,669,961	10,041,188,678	15,678,346,008	
	As at 30 June, 2008	25,716,639,482	441,204		25,717,080,686	8,572,122,608		753,396,109	9,315,518,717	16,391,561,969	

2009