

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF NABA DIGANTA WATER MANAGEMENT LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **NABA DIGANTA WATER MANAGEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm Registration No. 302009E)

Abhijit Bandyopadhyay

(Partner)

(Membership No. 054785)

**JAMSHEDPUR, 17<sup>th</sup>, April, 2015**

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. Having regard to the nature of the Company's business / activities / results during the year, clauses (v), (vi) and (x) of paragraph 3 of the Order are not applicable to the Company
- ii. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- iii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- vi) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-Tax, Wealth tax, Service Tax, Custom duty, Excise duty, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authority.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service tax, Customs duty, Excise duty, Value Added Tax, Cess and other material statutory dues in arrears, as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below.

Name of Statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)
Income Tax	Tax Demand	DCIT, Kolkata	2011-12	96,599,040

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- vii) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has incurred not cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were obtained other than temporary deployment pending application
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay  
(Partner)  
(Membership No. 054785)

JAMSHEDPUR, 17 April, 2015

NABA DIGANTA WATER MANAGEMENT LIMITED

Balance Sheet as at 31st March 2015

	Note No.	As at Mar 2015	Amount in INR As at Mar 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	02	184,500,000	184,500,000
Reserves and surplus	03	83,617,464	107,989,349
		<b>268,117,464</b>	<b>292,489,349</b>
<b>Non-current liabilities</b>			
Long-term borrowings	04	14,520,085	44,520,085
Other long-term liabilities	06	15,153,839	14,121,371
Long-term provisions	05	3,415,462	2,631,919
		<b>33,089,386</b>	<b>61,273,375</b>
<b>Current liabilities</b>			
Trade payables	06	52,000,496	44,099,872
Other current liabilities	06	127,094,574	122,711,608
Short-term provisions	05	16,040	-
		<b>179,111,110</b>	<b>166,811,480</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>480,317,960</b>	<b>520,574,204</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible fixed assets	07	401,064,261	420,259,712
		<b>401,064,261</b>	<b>420,259,712</b>
Long-term loans and advances	08	940,169	1,360,283
Other non-current assets	09	15,000,961	49,936,359
		<b>417,005,391</b>	<b>471,556,354</b>
<b>Current assets</b>			
Inventories	10	1,789,500	31,356
Trade receivables	09	6,733,194	6,173,864
Cash and bank balances	11	47,214,929	21,303,610
Short-term loans and advances	08	1,628,016	3,618,425
Other current assets	09	5,946,930	17,890,595
		<b>63,312,569</b>	<b>49,017,850</b>
<b>TOTAL ASSETS</b>		<b>480,317,960</b>	<b>520,574,204</b>

See accompanying notes forming part of the financial statements 17

In terms of our report attached.

For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit Bandyopadhyay  
Partner

Ashish Mathur  
Chairman

Jayant Balan  
Director

Shibaji Baksi  
Company Secretary

Place : Jamshedpur

Date : 17th April, 2015

Statement of Profit & Loss for the year ended 31st March 2015

	Note	Amount in INR	
		For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue from operations	12	72,518,003	62,830,147
Revenue from Construction Activities		6,002,228	-
Other Income	13	1,433,828	1,471,670
<b>Total Revenue</b>		<b>79,954,059</b>	<b>64,301,817</b>
<b>EXPENSES</b>			
Purchase of Water		8,941,232	8,146,198
Purchase of Materials		2,754,901	
Changes in stock of stock-in-trade		(1,758,144)	(6,174)
Operation and Maintenance Expenses		11,697,110	12,541,338
Employee benefit expense	14	11,457,476	6,300,597
Finance costs	15	5,629,625	10,175,160
Depreciation and amortisation			
Depreciation		21,324,677	21,259,695
Less: Transfer from Contribution for Capital expenditure		6,269,251	7,225,489
Other expenses	16	11,838,191	11,977,898
<b>Total Expenses</b>		<b>65,615,817</b>	<b>63,169,223</b>
<b>Profit/(loss) before tax</b>		<b>14,338,242</b>	<b>1,132,593</b>
Tax Expense		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) after tax</b>		<b>14,338,242</b>	<b>1,132,593</b>
<b>Earnings per equity share:</b>			
Basic		0.78	0.06
Diluted		0.78	0.06

See accompanying notes forming part of the financial statements 17

In terms of our report attached.

For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit Bandyopadhyay  
Partner

Ashish Mathur  
Chairman

Jayant Balan  
Director

Shibaji Baksi  
Company Secretary

Place : Jamshedpur  
Date : 17th April, 2015

**NABA DIGNATA WATER MANGEMENT LIMITED**

**Cash Flow Statement for the year ended 31 March 2015**

	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>
<b>A. Cash Flow from Operating activities:</b>		
<b>Profit before taxes</b>	14,338,242	1,132,593
<i>Adjustments for:</i>		
Depreciation	15,055,426	14,034,206
Interest Income	(1,253,828)	(1,297,170)
Interest charged to profit and loss account	5,629,625	10,175,160
Amortisation of upfront fees on term loan	(204,544)	(204,544)
<b>Operating profit before working capital changes</b>	<b>33,564,921</b>	<b>23,840,245</b>
<i>Adjustments for:</i>		
Movements in trade and other receivables	(6,589,756)	(5,415,275)
Movements in inventories	(1,758,144)	(6,174)
Movements in trade and other payables	65,798,555	12,532,890
<b>Cash generated from operations</b>	<b>91,015,576</b>	<b>30,951,686</b>
Direct taxes paid (excluding dividend tax)	269,651	(227,540)
<b>Net cash from operating activities</b>	<b>91,285,227</b>	<b>30,724,146</b>
<b>B. Cash Flow from Investing activities:</b>		
Payment for fixed assets	(39,753,514)	(20,386,388)
Receipt of connection charges towards recovery of Fixed Assets	22,850,864	32,691,140
Interest received from external investments / agencies (Bank etc.)	2,448,762	460,583
<b>Net cash from investing activities</b>	<b>(14,453,888)</b>	<b>12,765,335</b>
<b>C. Cash Flow from Financing activities:</b>		
Repayment of borrowings from external agencies (Bank etc.)	(45,000,000)	(20,000,000)
Interest paid to external agencies (Bank etc.)	(5,920,020)	(10,217,538)
Tax on dividend paid		
<b>Net cash from financing activities</b>	<b>(50,920,020)</b>	<b>(30,217,538)</b>
<b>Net increase or decrease in cash or cash equivalents</b>	<b>25,911,319</b>	<b>13,271,943</b>
<b>Cash &amp; cash equivalents as at 1st April 2014</b>	<b>21,303,610</b>	<b>8,031,667</b>
<b>Cash &amp; cash equivalents as at 31st March 2015</b>	<b>47,214,929</b>	<b>21,303,610</b>

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Abhijit Bandyopadhyay**  
Partner

**Ashish Mathur**  
Chairman

**Jayant Balan**  
Director

**Shibaji Baksi**  
Company Secretary

Place : Jamshedpur

Date : 17th April, 2015

## NABA DIGANTA WATER MANAGEMENT LIMITED

### Notes forming part of the financial statements

#### (A) Corporate Information

The Company was incorporated as Special Purpose Vehicle (SPV) by Jamshedpur Utilities and Services Company Limited (JUSCO) and Voltas Limited (Voltas) on 9th January, 2008 to provide water supply and sewerage system ('the project') at Naba Diganta Township, Sector-V, Saltlake, Kolkata against payment of water and sewerage charges by the consumer. The proposed project is on Build, Operate and Transfer (BOT) basis under the Public Private Partnership (PPP) Model for a period of 30 years with JUSCO being the lead partner, as per the Development Agreement dated 8th November, 2007 between Nabadiganta Industrial Township Authority (NDITA), Kolkata Metropolitan Development Authority (KMDA), JUSCO and Voltas. Promoter's contribution by JUSCO and Voltas are 74% and 26% of the equity respectively. The operations of the Company were inaugurated on 4th January 2011.

#### (B) Significant Accounting Policies

##### (i) Basis of Accounting and preparation of financial statements :

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention on an accrual basis of accounting. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

##### (ii) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

##### (iii) Inventories :

Inventories are valued at lower of cost and net realizable value

##### (iv) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

##### (v) Revenue Recognition

(a) Revenue is recognized when the significant risks and rewards have been transferred to the buyer. It is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(b) Revenue is recognized from the RVNL - NDITA Metro Rail Project as per Accounting Standard -7 and is recognized to the extent of cost incurred on this project.

##### (vi) (a) Fixed Assets :

Fixed Assets are stated at cost of acquisition less accumulated depreciation . Cost of acquisition includes duties, taxes, incidental expenses, erection and commissioning expenses expenditure incurred on 'Build Operate Transfer' (BOT) project including materials and services , net of Government Subsidy received. Borrowing costs incurred prior to the commencement of operational activities of the Company attributable to the qualifying assets are capitalised.

##### (b) Depreciation :

Depreciation has been provided on straight line basis as per useful lives estimated by the management , or at the rates prescribed under Schedule II of the Companies Act, 2013, whichever is higher . The Company has made an internal evaluation of the useful life of the assets and has accordingly assessed the useful life of the assets as under:

Buildings	30 years
Plant & Machinery	21 years



Air Conditioners	10 years
Furniture & Fixtures	5 years

**(c) Impairment :**

Wherever events or changes in circumstances indicates that the carrying value of the assets may be impaired , the Company subjects such assets to a test of recoverability, based on discounted cash flow expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as the difference between the carrying value and value in use.

**(vii) (a) Government Subsidy**

Grants-in-aid received from the Government as capital subsidy in the 'Build Operate Transfer' (BOT) project is deducted from the Fixed Assets.

**(b) Contribution from consumers:**

Connection charges received from consumers , towards installation of assets pertaining to distribution of water and treatment of sewerage, are credited to Contribution for Capital Expenditure. An amount in proportion to the depreciation charge on such assets is transferred to the Profit and Loss Account.

**(viii) Employee Benefits**

Employee benefits include provident fund, medical benefits, gratuity fund and compensated absences.

Defined contribution plans :

The Company's contribution to provident fund scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans:

Company's liability towards gratuity and long term compensated absences are determined by independent actuaries, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

**(ix) Borrowing Costs:**

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

**(x) Earnings per Share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**(xi) Taxes**

Current tax is estimated on the taxable income for the period determined in accordance with the provisions of the Income Tax Act 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**(xii) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**NABA DIGANTA WATER MANAGEMENT LIMITED**  
**Notes forming part of the financial statements**

		Amount in INR		
<b>02 - Share Capital</b>		As at Mar 2015	As at Mar 2014	
<b>Authorised:</b>				
1,85,00,000 Equity Shares of Rs. 10/- each with voting rights <i>(31.03.2014: 1,85,00,000 Equity Shares of Rs 10/- each)</i>		185,000,000	185,000,000	
		<b>185,000,000</b>	<b>185,000,000</b>	
<b>Issued, Subscribed &amp; Paid up:</b>				
1,84,50,000 Equity Shares of Rs. 10/- each with voting rights <i>(31.03.2014: 1,84,50,000 Equity Shares of Rs 10/- each)</i>		184,500,000	184,500,000	
<i>Additional Information :</i>				
<i>The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.</i>				
<i>(Out of which, 136,53,000 equity shares are held by Jamshedpur Utilities and Services Company Limited ,its holding Company and 47,97,000 equity shares are held by Voltas Limited)</i>				
		<b>184,500,000</b>	<b>184,500,000</b>	
<b>Total Share Capital</b>		<b>184,500,000</b>	<b>184,500,000</b>	
<b>Notes -</b>				
<b>(a) Reconciliation of the number of Equity shares and the amount outstanding at the beginning and at the end of the</b>				
Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	18,450,000	184,500,000	18,450,000	184,500,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	18,450,000	184,500,000	18,450,000	184,500,000
<b>(b) Out of above, 136,53,000 equity shares are held by Jamshedpur Utilities and Services Company Limited ,its holding Company and 47,97,000 equity shares are held by Voltas Limited.</b>				

**NABA DIGANTA WATER MANAGEMENT LIMITED**  
**Notes forming part of the financial statements**

**03 - Reserves & Surplus**

	<b>As at Mar 2015</b>		<b>Amount in INR As at Mar 2014</b>
Contributions for Capital Expenditure		160,587,995	199,298,122
Opening Balance	199,298,122	171,788,190	
Movement during the year	(32,440,876)	34,735,421	
	166,857,246	206,523,611	
Less: Transferred to Profit & Loss Account	6,269,251	7,225,489	
<b>Profit &amp; Loss account - Surplus / (Deficit)</b>		<b>(76,970,530)</b>	<b>(91,308,773)</b>
Opening Balance	(91,308,773)	(92,441,366)	
Profit / (Loss) for the year	14,338,242	1,132,593	
<b>Total Reserves and Surplus</b>		<b>83,617,464</b>	<b>107,989,349</b>

NABA DIGANTA WATER MANAGEMENT LIMITED

Notes forming part of the financial statements

	Amount in INR					
	As at Mar 2015			As at Mar 2014		
	Long Term	Current maturities of Long-term *	Total	Long Term	Current maturities of Long-term *	Total
<b>Secured Borrowings</b>						
Term Loans						
From Banks	14,520,085	15,000,000	<b>29,520,085</b>	44,520,085	30,000,000	<b>74,520,085</b>
(Secured by book debts, first charge over all fixed assets, present & future to be created out of bank finance including tools & equipments, cash accruals and corporate guarantee of the holding company)						
<b>Total Borrowings</b>	<b>14,520,085</b>	<b>15,000,000</b>	<b>29,520,085</b>	<b>44,520,085</b>	<b>30,000,000</b>	<b>74,520,085</b>

\* Current maturities of long term debt are disclosed as part of Current Liabilities in Note - 6(II)

Notes:

**NABA DIGANTA WATER MANAGEMENT LIMITED**

**Notes forming part of the financial statements**

05 - Provisions	Amount in INR					
	As at Mar 2015			As at Mar 2014		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Provision for employee benefits						
Post-employment Defined Benefits	2,830,101	-	<b>2,830,101</b>	2,419,265	-	<b>2,419,265</b>
Long-term Employee Benefits	585,361	16,040	<b>601,401</b>	212,654		<b>212,654</b>
<b>Total Provisions</b>	<b>3,415,462</b>	<b>16,040</b>	<b>3,431,502</b>	<b>2,631,919</b>	-	<b>2,631,919</b>

**NABA DIGANTA WATER MANAGEMENT LIMITED**  
**Notes forming part of the financial statements**

	Amount in INR	
	As at Mar 2015	As at Mar 2014
<b>06 - Trade and other payables</b>		
<b>(A) Current Liabilities</b>		
<b>(I) Trade Payables</b>		
Creditors for supplies / services	49,460,311	42,908,823
Creditors for accrued wages and salaries < 1 Yr	2,540,185	1,191,049
<b>Total Trade Payables</b>	<b>52,000,496</b>	<b>44,099,872</b>
<b>(II) Other Current Liabilities</b>		
Current maturities of long-term debt	15,000,000	30,000,000
Interest accrued but not due on borrowings	324,680	819,619
Advances received from customers	59,362,362	3,429,418
Statutory Dues	745,270	492,209
Creditors for capital supplies/services	48,247,831	85,872,118
Other liabilities*	3,414,431	2,098,244
<b>(II) Total Other current liabilities</b>	<b>127,094,574</b>	<b>122,711,608</b>
<b>(B) Long-term Liabilities</b>		
<b>Other non-current liabilities</b>		
Creditors for other liabilities (Security Deposits from Customers)	15,153,839	14,121,371
<b>(B) Total Long-term Liabilities</b>	<b>15,153,839</b>	<b>14,121,371</b>

**NABA DIGANTA WATER MANAGEMENT LIMITED**

**Notes forming part of the financial statements**

**07 - Tangible assets**

**Amount in INR**

<b>As at Mar 2015</b>	<b>Buildings</b>	<b>Plant and Machinery</b>	<b>Furniture and fixtures</b>	<b>Office Equipments</b>	<b>Total Tangible Assets</b>
Cost at beginning of the year	141,228,160	347,586,230	122,400	89,715	<b>489,026,505</b>
	<i>(141,228,160)</i>	<i>(347,537,930)</i>	<i>(112,954)</i>	<i>(89,715)</i>	<b>(488,968,759)</b>
Additions		2,081,480	9,446	38,300	<b>2,129,226</b>
	-	<i>(48,300)</i>	<i>(9,446)</i>	-	<b>(57,746)</b>
<b>Cost at end of period</b>	<b>141,228,160</b>	<b>349,667,710</b>	<b>131,846</b>	<b>128,015</b>	<b>491,155,731</b>
	<i>(141,228,160)</i>	<i>(347,586,230)</i>	<i>(122,400)</i>	<i>(89,715)</i>	<b>(489,026,505)</b>
Depreciation at beginning of the year	15,275,449	53,377,403	79,673	34,268	<b>68,766,793</b>
	<i>(10,558,428)</i>	<i>(36,867,422)</i>	<i>(56,772)</i>	<i>(24,476)</i>	<b>(47,507,098)</b>
Charge for the year	4,717,020	16,566,464	26,058	15,135	<b>21,324,677</b>
	<i>(4,717,021)</i>	<i>(16,509,981)</i>	<i>(22,901)</i>	<i>(9,792)</i>	<b>(21,259,695)</b>
<b>Depreciation at end of the year</b>	<b>19,992,469</b>	<b>69,943,867</b>	<b>105,731</b>	<b>49,403</b>	<b>90,091,470</b>
	<i>(15,275,449)</i>	<i>(53,377,403)</i>	<i>(79,673)</i>	<i>(34,268)</i>	<b>(68,766,793)</b>
<b>Net book value at beginning of the year</b>	<b>125,952,711</b>	<b>294,208,827</b>	<b>42,727</b>	<b>55,447</b>	<b>420,259,712</b>
	<i>(130,669,732)</i>	<i>(310,670,508)</i>	<i>(56,182)</i>	<i>(65,239)</i>	<b>(441,461,661)</b>
<b>Net book value at end of the year</b>	<b>121,235,691</b>	<b>279,723,843</b>	<b>26,115</b>	<b>78,612</b>	<b>401,064,261</b>
<i>Previous year</i>	<i>(125,952,711)</i>	<i>(294,208,827)</i>	<i>(42,727)</i>	<i>(55,447)</i>	<b>(420,259,712)</b>

*Previous year figures are in italics & in brackets*

Note: Under the Development Agreement dated 8th November, 2007 between Nabadiganta Industrial Township Authority (NDITA), Kolkata Metropolitan Development Authority (KMDA), Jamshedpur Utilities and Services Company Limited and Voltas Limited, the company is required to transfer the company's rights, title and interest in the project and the assets free and clear of all encumbrances.





**NABA DIGANTA WATER MANAGEMENT LIMITED**  
**Notes forming part of the financial statements**

08 - Loans and advances	Amount in INR					
	As at Mar 2015			As at Mar 2014		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>Loans and advances</b>						
Security deposits	82,700		<b>82,700</b>	62,700	-	<b>62,700</b>
Advance with public bodies		739,447	<b>739,447</b>	-	333,847	<b>333,847</b>
Tax Assets	857,469		<b>857,469</b>	1,127,120	-	<b>1,127,120</b>
Other Loans and advances		888,569	<b>888,569</b>	170,463	3,284,578	<b>3,455,041</b>
<b>Total Loans and advances</b>	<b>940,169</b>	<b>1,628,016</b>	<b>2,568,185</b>	<b>1,360,283</b>	<b>3,618,425</b>	<b>4,978,708</b>
<b>Classification of loans and advances</b>						
Unsecured, considered good	940,169	1,628,016	<b>2,568,185</b>	1,360,283	3,618,425	<b>4,978,708</b>
<b>Total Loans and advances</b>	<b>940,169</b>	<b>1,628,016</b>	<b>2,568,185</b>	<b>1,360,283</b>	<b>3,618,425</b>	<b>4,978,708</b>

**NABA DIGANTA WATER MANAGEMENT LIMITED**  
**Notes forming part of the financial statements**

09 - Trade and other receivables	Amount in INR	
	Apr-Mar 2015	Apr-Mar 2014
<b>(A) Current trade receivable and other assets</b>		
<b>(a) Current Trade receivables</b>		
More than six months	152,818	-
Debtors from sale of water	6,624,032	6,173,864
<b>Gross Current Trade Receivables</b>	<b>6,776,850</b>	<b>6,173,864</b>
Less: Provision for Doubtful trade receivables	43,656	-
<b>Net Current Trade Receivables</b>	<b>6,733,194</b>	<b>6,173,864</b>
<b>Classification of Current Trade Receivables</b>		
Secured, considered good	4,870,372	4,757,016
Unsecured, considered good	1,862,822	1,416,848
<b>Total Current Trade Receivables</b>	<b>6,733,194</b>	<b>6,173,864</b>
<b>(b) Other current assets</b>		
Interest accrued on deposits, loans and advances	86,216	1,281,150
Other current assets(Unsecured, considered good) <sup>(*2)</sup>	5,860,714	16,609,445
<b>Total Other current assets</b>	<b>5,946,930</b>	<b>17,890,595</b>
<b>(B) Non-current trade receivable and other assets</b>		
<b>Other non-current assets</b>		
Fixed Deposit with more than 12 months maturity <sup>(*1)</sup>	12,969,908	4,798,610
Other Receivables(Unsecured, considered good) <sup>(*3)</sup>	2,031,053	45,137,749
<b>Other non-current assets</b>	<b>15,000,961</b>	<b>49,936,359</b>
<b>Total non-current assets</b>	<b>15,000,961</b>	<b>49,936,359</b>

**NABA DIGANTA WATER MANAGEMENT LIMITED**  
**Notes forming part of the financial statements**

<b>10 - Inventories</b>	<b>Amount in INR</b>	
(Valued at lower of cost or net realizable value)		
	<b>Apr-Mar 2015</b>	<b>Apr-Mar 2014</b>
Stock-in-trade of water acquired for trading	28,156	31,356
Stores & Consumables	1,761,344	
<b>Total Inventories</b>	<b>1,789,500</b>	<b>31,356</b>

<b>11 - Cash and Bank Balances</b>		
	<b>Apr-Mar 2015</b>	<b>Apr-Mar 2014</b>
<b>A. Cash &amp; Cash Equivalents:</b>		
(a) Cash in hand	42,009	21,559
(b) Balances with banks		
- In Current Account	10,408,993	7,382,051
- In Other Deposit Account	-	-
- Original maturity of 3 months or less		
<b>Total (A)</b>	<b>10,451,002</b>	<b>7,403,610</b>

**NABA DIGANTA WATER MANAGEMENT LIMITED**  
**Notes forming part of the financial statements**

12 - Revenue from operations	Amount in INR	
	Apr-Mar 2015	Apr-Mar 2014
Sale of water	69,418,190	62,192,315
Other operating income	3,099,813	637,832
<b>Total Revenue from Operations</b>	<b>72,518,003</b>	<b>62,830,147</b>

13 - Other Income	Amount in INR	
	Apr-Mar 2015	Apr-Mar 2014
Interest income on bank deposits	1,253,828	1,297,170
Other non-operating Income	180,000	174,500
<b>Total Other Income</b>	<b>1,433,828</b>	<b>1,471,670</b>

**NABA DIGANTA WATER MANAGEMENT LIMITED**  
**Notes forming part of the financial statements**

	Amount in INR	
	Apr-Mar 2015	Apr-Mar 2014
<b>14 - Employee Benefit Expense</b>		
Salaries and wages including bonus	10,890,644	6,008,263
Contribution to provident and other funds	566,832	292,334
<b>Total Employee Benefit Expense</b>	<b>11,457,476</b>	<b>6,300,597</b>

	Apr-Mar 2015	Apr-Mar 2014
<b>15 - Finance costs</b>		
Interest on Term Loans	5,425,081	9,970,616
Other Finance Charges	204,544	204,544
<b>Total Finance costs</b>	<b>5,629,625</b>	<b>10,175,160</b>

	Apr-Mar 2015	Apr-Mar 2014
<b>16 - Other Expenses</b>		
Repairs to machinery	91,262	23,054
Purchase of power	7,950,848	9,737,150
Rates and taxes	218,788	165,363
Insurance charges	322,770	383,717
Auditors remuneration and out-of-pocket expenses	556,648	533,931
Legal and other professional costs	552,650	345,449
Travelling Expenses	708,030	347,747
Other General Expenses	1,437,195	441,487
<b>Total Other Expenses</b>	<b>11,838,191</b>	<b>11,977,898</b>

**NABA DIGANTA WATER MANAGEMENT LIMITED**  
**Notes forming part of the financial statements**

**17 Additional information to the financial statements**

a) Lease agreement with NDITA (lessor) is to be executed with the Company (lessee), wherein lessor is to deliver to the lessee on an 'as is where is basis', the full vacant possession of all the land and rights comprising the demised premises free from encumbrances, and together with the Easementary rights and with the full and free right and liberty of way and passage and other rights in relation thereto. Lease rent of Re.1 per cottah (720 sq. ft.) annually for 120 cottahs will be accounted from the date on which the possession of the demised premises is handed over to the lessee by the lessor. Registration of sublease is pending.

**b) Capital Commitment:**

Estimated amount of Contracts remaining to be executed on capital account and not provided for : Rs. Nil (31.03.14 : Rs. 26,36,178 )

**c) Contingent Liabilities :**

Claims not acknowledged by the Company

	April-March 2015	April-March 2014
Income Tax	96,599,040	Nil

**d) Employee Benefits**

(a) The Company has recognised in the Statement of Profit and Loss for the year ended 31st March, 2015, an amount of Rs 5,66,832 (2013-14: 2,92,334) as an expense under the following defined contribution plan:

	April-March 2015	April-March 2014
<b>Contribution to Provident fund</b>	566,832	292,334

(b) The Company has provided towards post retirement gratuity contribution, which is yet to be funded, pending formation of the plan and funding formalities. The charge for the year are actuarially determined, details of which are as follows:

**(i) Reconciliation of opening and closing balances of obligation**

	April-March 2015	April-March 2014
Obligation as at beginning of the year	2,419,265	0
Current service cost	203,764	171,808
Interest cost	209,975	206,390
Actuarial (gain)/loss	(2,903)	(126,120)
Acquisitions during the year	-	2,167,187
Benefits paid	-	-
<b>Obligation as at end of the year</b>	<b>2,830,101</b>	<b>2,419,265</b>

**(ii) Expenses recognized during the year**

Current service cost	203,764	171,808
Interest cost	209,975	206,390
Actuarial Losses/(Gains) on defined benefit obligation	(2,903)	(126,120)

**(iii) Assumptions**

Discount rate (per annum)	8.00%	8.25%
Rate of escalation in salary (per annum)	12%	12%

e) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

f) Government Grant has been received through designated agency Nabadiganta Industrial Township Authority (NDITA) from the Ministry of Urban Development, Government of India, under the Jawaharlal Nehru National Urban Renewal Mission Scheme, as capital subsidy in the form of a grant of 35% of the capital cost of the project. The funds are received based on the approval of the progress of the work by Nabadiganta Industrial Township Authority, Kolkata Metropolitan Development Authority and Department of Urban Development, Government of West Bengal. The Company has so far received an amount of Rs.18,49,84,000 (31.03.14: Rs 18,49,84,0000) from JNNURM and Rs.3,93,59,500 (31.03.14 : Rs.3,93,59,500) from Naba Diganta Industrial Township Authority till 31st March 2015, which has been reduced from the project cost under Fixed Assets. Grant of Rs 2,55,00,000 is yet to be received.

g) The Company's principal business segment is construction, operation and maintenance of infrastructure facility for water supply and sewerage system on 'Build Operate and Transfer' (BOT) basis and the principal geographical segment is India. Consequently, the disclosures required under Accounting Standard – 17 "Segment Reporting" notified by the Central Government under Companies (Accounting Standards) Rules, 2006 are not applicable.

h) The Company had in the earlier years recognised the connection charges receivable from customers with respect to temporary connections by crediting Contributions for Capital Expenditure. In the current year, the management has assessed the recoverability of these charges as doubtful and accordingly, has de-recognised the receivables of Rs. 37,880,201 (PY: Rs. Nil).

i) **Related Party Disclosure:**

(I) **List of Related Parties & Relationship :**

Party	Relationship
Tata Steel Limited	Ultimate Holding Company
Jamshedpur Utilities & Services Company Limited	Holding Company
SEZ Adityapur Limited	Fellow Subsidiary
Haldia Water Management Limited	Fellow Subsidiary
Voltas Limited	Enterprise Exercising Significant Influence
Nirmal Kumar Mallick	Key Management Personnel

(II) **Related Party Transactions:**

(in Rs.)

Transactions	JUSCO Ltd.	Voltas Ltd.
Services Received	-	-
	(4,278,159)	(961,706)
Reimbursement of Expenses	38,293	-
	(1,272,207)	-
Rental Income	180,000	-
	(174,500)	-
Guarantee outstanding on behalf of Company	29,844,765	-
	(75,300,000)	-
Rent Receivable from JUSCO	180,000	-
	-	-
Gratuity Receivable from JUSCO	-	-
	(2,736,844)	-
Amount Payable as at 31st March 2015	52,999,085	18,636,482
(Previous period figures are given in brackets)	(86,129,543)	(26,469,729)

(in Rs.)

	As on 31.03.2015	As on 31.03.2014
Remuneration to Mr. Nirmal Kumar Mallick	2,615,926	2,421,225

j) **Earnings Per Share**

Basic and Diluted Earnings per Share		
Particulars	As on 31.03.2015	As on 31.03.2014
a) Net Earnings after Tax available to equity shareholders (in Rs.)	14,338,242	1,132,593
b) Weighted average number of equity shares ( for Basic and Diluted)	18,450,000	18,450,000
c) Nominal value of Equity per share (Rs.)	10	10
d) Basic and Diluted Earnings per share (Rs.)	0.78	0.06

k) **Auditor's Remuneration:**

(in Rs.)

(including service tax)		
Particulars	As on 31.03.2015	As on 31.03.2014
As Statutory Audit Fees	426,968	415,732
As Tax Audit Fees	112,360	112,360
Out of pocket expenses	17,320	5,839
<b>Total</b>	<b>556,648</b>	<b>533,931</b>

l) As at the Balance Sheet date, the Company does not have any foreign currency exposure ( 31.03.14: Nil)

m) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

n) Figures have been rounded off to the nearest rupee.

For and on behalf of the Board of Directors

Ashish Mathur  
Chairman

Jayant Balan  
Director

Shibaji Baksi  
Company Secretary

Place : Jamshedpur  
Date : 17th April ,2015