

INDEPENDENT AUDITOR'S REPORT To The Members of Haldia Water Management Limited Report on the Standalone Ind AS Financial Statements

We were engaged to audit the accompanying standalone Ind AS financial statements of Haldia Water Management Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on conducting our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act.

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.

Because of the matter described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The matters as stated in paragraphs 2.1(a) to 2.1(d) of the notes to financial statements give rise to the inappropriateness of use of generally accepted accounting principles that are



applicable to going concern and accordingly financial statements are not prepared on a going concern basis. The said notes also give rise to material uncertainties as regards possible material adjustments that maybe required to be made to the values of recorded assets and liabilities, which could not be recorded in the financial statements on account of these being not readily ascertainable. As a result of these matters, we are unable to determine as to whether any adjustments that would have been necessary and required to be made in respect of receivables, advances, current liabilities, and contingent liabilities, as at 31st March 2017; and in respect of the corresponding possible impact of such items and associated elements on the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date.

This matter was also disclaimed in our report on the financial statements for the year ended 31st March 2016

Disclaimer of Opinion

Because of the significance of the matters described 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 standalone Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act we report that:

- a) As described in the Basis for Disclaimer of Opinion paragraph above, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph above, we are unable to state whether 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) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph above, we are unable to state whether the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph above, we are unable to state whether, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act
- e) The matter described in the Basis for Disclaimer of Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.



**Deloitte
Haskins & Sells**

- g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses disclaimer of opinion on the Company's internal financial controls over financial reporting.
- i) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph above, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
 - ii. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether 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.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)

Place: Kolkata
Date: 20 April, 2017



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of Haldia Water Management Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Because of the matter described in Basis for Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Basis for Disclaimer of Opinion

For the reasons stated in paragraphs 2.1(a) to 2.1(d) of the notes to the financial statements, the Company does not have an established system of internal financial control over financial reporting with regard to assessment of possible material adjustments that could arise / may be required to be made to the recorded values of assets and liabilities. Consequently, we are unable to obtain sufficient appropriate audit evidence so as to provide a basis for our opinion as to whether the Company had adequate internal financial controls over financial reporting and that whether such internal financial controls were operating effectively as at March 31, 2017.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017. Accordingly, we do not express an opinion on the Company's internal financial controls over financial reporting.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone Ind AS financial statements of the Company for the year ended March 31, 2017, and the disclaimer has affected our opinion on the said standalone Ind AS financial statements of the Company and we have issued a disclaimer of opinion on the standalone Ind AS financial statements of the Company.

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



Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)

Place: Kolkata
Date: 20 April, 2017



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) 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, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable except for the following:



Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates	Due Date	Date of subsequent payment
Commercial Tax	Professional tax	200	May 2015	June 20, 2015	Not yet paid

- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2017 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has defaulted in principal repayments of Rs 240,000,000 and interest thereon amounting to Rs. 378,819,658 to State Bank of India for the period from April 1, 2013 to March 31, 2017. The Company has neither borrowed any money from government nor issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.



- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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


Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)

Place: Kolkata

Date: 20 April, 2017



HALDIA WATER MANAGEMENT LIMITED

Balance Sheet as at 31st March,17

	Note No.	As at 31st March 2017 Rupees	As at 31 March 2016 Rupees	As at 01 April 2015 Rupees
ASSETS				
Current Assets				
(a) Financial Assets				
(i) Trade Receivables	2	264,73,830	264,73,830	264,73,830
(ii) Cash and Cash Equivalent	3	19,53,887	18,23,601	17,79,392
(iii) Other Financial Assets	4	1101,98,691	1101,99,683	1102,69,087
CURRENT ASSETS		1386,26,408	1384,97,114	1385,22,309
TOTAL ASSETS		1386,26,408	1384,97,114	1385,22,309
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	5	2777,36,830	2777,36,830	2777,36,830
(b) Other Equity	6	(18861,77,860)	(17504,60,497)	(16281,51,907)
Equity attributable to owner of the Company		(16084,41,030)	(14727,23,667)	(13504,15,077)
TOTAL EQUITY		(16084,41,030)	(14727,23,667)	(13504,15,077)
Liabilities				
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	7	1650,00,000	1650,00,000	1650,00,000
(ii) Trade Payables	8	4143,47,508	4140,79,267	4137,17,381
(iii) Other Financial Liabilities	9	11677,19,930	10321,41,514	9102,20,005
Total Current liabilities		17470,67,438	16112,20,781	14889,37,386
Total Liabilities		17470,67,438	16112,20,781	14889,37,386
Total Equity and Liabilities		1386,26,408	1384,97,114	1385,22,309

See accompanying notes to the financial statements

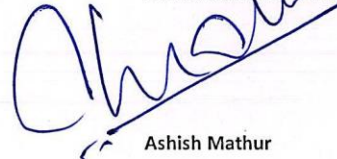
In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants



Abhijit Bandyopadhyay
Partner

Kolkata, 20 April, 2017

For and on behalf of the Board of Directors



Ashish Mathur
Director



Indrajit Roy
Director

Jamshedpur, 20 April, 2017



HALDIA WATER MANAGEMENT LIMITED
Statement of Profit and Loss for the Year Ended 31st March,2017

	Note No.	For the Year ended 31st March 2017 Rupees	For the Year ended 31st March 2016 Rupees
I. Revenue from operations		-	-
II. Other Income	10	1,30,559	4,78,663
III. TOTAL REVENUE (I+II)		1,30,559	4,78,663
IV. Expenses :			
(a) Employee benefits expense	11	-	5,69,506
(b) Finance costs	12	1356,03,866	1220,31,896
(c) Other expenses	13	2,44,056	1,85,851
TOTAL EXPENSES		1358,47,922	1227,87,253
V. LOSS BEFORE TAXES (III - IV)		(1357,17,363)	(1223,08,590)
VI. TAX EXPENSE			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
TOTAL TAXES		-	-
VII. LOSS AFTER TAXES (V-VI) FOR THE YEAR		(1357,17,363)	(1223,08,590)
VIII. Other comprehensive income		-	-
Total Other Comprehensive Income		-	-
Total comprehensive income for the period		(1357,17,363)	(1223,08,590)
Basic and Diluted Earnings per Share Rs..... (Refer note 14.6) (Face value of the Share Rs. 10/- each) See accompanying notes to the financial statements		(4.89)	(4.40)

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

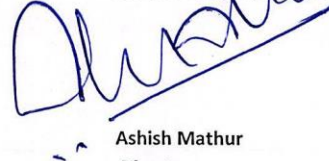


Abhijit Bandyopadhyay
Partner

Kolkata, 20 April, 2017



For and on behalf of the Board of Directors



Ashish Mathur
Director



Indrajit Roy
Director

Jamshedpur, 20 April, 2017

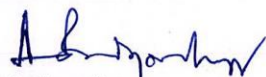


HALDIA WATER MANAGEMENT LIMITED
Cash Flow Statement for the Year Ended 31 March, 2017

	For the year ended 31st March 2017	For the year ended 31st March 2016
	Rupees	Rupees
A) Cash Flow from Operating activities:		
Loss before taxes	(1357,17,363)	(1223,08,590)
Adjustments for:		
Finance cost	1356,03,866	1220,31,896
Interest received	(1,30,002)	(1,36,480)
Operating loss before working capital changes	1354,73,864	1218,95,416
Adjustments for:	(7,47,477)	(4,13,174)
Movements in trade and other receivables	992	69,404
Movements in trade and other payables	2,42,791	2,51,499
Net Cash generated from operations (A)	2,43,783	3,20,903
	284	(92,271)
B) Cash flow from Investing Activities:		
Fixed / restricted deposits with banks (placed) / realised	(1,17,001)	(1,22,487)
Interest received from external investments / agencies (Bank etc.)	1,30,002	1,36,480
Net cash from / (used in) Investing activities (B)	13,001	13,993
	13,001	13,993
Net Increase / (decrease) in Cash and Cash equivalents (A+B)	13,285	(78,278)
Cash and Cash equivalents at the beginning of the year	1,60,979	2,39,257
Cash and Cash equivalents at the end of the year	1,74,264	1,60,979

See accompanying notes to the financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants


Abhijit Bandyopadhyay
Partner

Kolkata, 20 April, 2017

For and on behalf of the Board of Directors


Ashish Mathur
Director


Indrajit Roy
Director

Jamshedpur, 20 April, 2017



HALDIA WATER MANAGEMENT LIMITED


Statement Of Changes In Equity as at March 31, 2017

A. Equity Share Capital (Issued and subscribed)		Rupees	
As at April 1, 2015		2777,36,830	
Changes in equity share capital during the year		-	
As at March 31, 2016		2777,36,830	
Changes in equity share capital during the year		-	
As at March 31, 2017		<u>2777,36,830</u>	

B. Other Equity	Retained Earnings	OCI	Rupees Total
As at April 1, 2015	(16281,51,907)	-	(16281,51,907)
Profit for the year	(1223,08,590)	-	(1223,08,590)
Other Comprehensive Income		-	-
Balance as at March 31, 2016	(17504,60,497)	-	(17504,60,497)
Profit for the year	(1357,17,363)	-	(1357,17,363)
Other Comprehensive Income		-	-
Balance as at March 31, 2017	<u>(18861,77,860)</u>	-	<u>(18861,77,860)</u>

See accompanying notes forming part of the financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants


Abhijit Bandyopadhyay
Partner

For and on behalf of the Board of Directors


Ashish Mathur
Director


Indrajit Roy
Director

Kolkata, 20 April, 2017

Jamshedpur, 20 April, 2017



HALDIA WATER MANAGEMENT LIMITED

Note 01: Notes to the Financial Statements

01. Corporate Information

- 1.1 Haldia Water Management Limited (HWML) is a public limited company incorporated under the Companies Act, 1956 on 12th June, 2008 having its registered office at Shakti Place Shakti Palace, 2nd floor, Plot No 492(old) & 784 (new), 2nd floor, Mouza, Khanjanchak, Haldia, Purba Medinipur - 721 602, as special purpose vehicle (SPV) to construct new water treatment plant on Build Operate and Transfer (BOT) basis along with operation & maintenance of existing water treatment facilities and supply of water in Haldia
- 1.2 A 'Concession Agreement' entered into between Haldia Development Authority (HDA) and Haldia Water Management Limited (HWML) conferred the right to the HWML to implement the new water treatment project on Build Operate and Transfer (BOT) basis and make commercial use thereof in accordance with provisions of the Agreement. The Concession period has commenced from the compliance date i.e. 1st November, 2008 and is for 25 years from such date. The parties may extend this agreement on mutually terms & conditions. It has also conferred right to operate and maintain the existing water treatment facilities of HDA and supply of water to customers of HDA

02. Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

- 2.1 (a) The Company has for the first time prepared its financial statements in accordance with Indian Accounting Standards (referred to as "Ind AS"). The transition from previous GAAP (i.e., IGAAP) to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 01, 2015 as the transition date. The financial statements are prepared 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. The matter stated in paragraph 2.1 (a) to (d) indicate the inappropriateness of the use of generally accepted accounting principle that is applicable to a going concern entity in preparation of financial statement of the company for the year ended March 31, 2017.

The functional and presentation currency of Haldia Water Management Limited (HWML) is Indian Rupee ("INR").

- 2.1 (b) The Company has, as at the date of the Balance sheet, accumulated losses aggregating to Rs.18861,77,860/- (Previous year 17504,60,497/-) which is in excess of the share capital of the company amounting to Rs.277,736,830/- (Previous year Rs.277,736,830/-) thereby eroding the net worth of the company. Further, as at the Balance sheet date, the Company's current liabilities exceeded its total assets.
- 2.1(c) The Company has been formed for specific business purpose as described in paragraph 1.1 above. The volume of water sales and its projection was determined to be significantly lower than what had been budgeted at the time of agreement with Haldia Development Authority (HDA). The low volume in conjunction with other terms of the concession agreement resulted in significant losses and erosion of net worth in the financial statement of the Company. Considering these, the management considered the existing business to be unviable and had in a previous year concluded the concession agreement with HDA to be "Frustrated". Accordingly, the directors had concluded that the combination of these circumstances represent a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern and therefore the Company decided to withdraw from the operation of its business in immediate future and had notified HDA of its intention in an earlier year. The operation has been then taken over by HDA in a previous year.



HALDIA WATER MANAGEMENT LIMITED

Note 01: Notes to the Financial Statements

- 2.1(d) The formal acceptance of Company's exit from the business by HDA and reconciliation of receivables and payables between the Company and HDA has not yet initiated. As future outcome of the negotiation between the Company and HDA cannot be ascertained, all possible liabilities to the best of the knowledge of the Management till 31st March 2017 in respect of Licence fees, electricity charges etc. have been provided in the books of accounts of the Company. Pending final settlement of receivables and payables between the Company and HDA, the setting-off of adjustable assets and liabilities of the Company have not been given any effect and have been stated at their current carrying values in the financial statements for the year ending March 31, 2017. The eventual reconciliation may necessitate adjustment to recorded assets, liabilities, and contingent liabilities which is presently not ascertainable. The Company had in a previous year entered into an Arbitral Tribunal to adjudicate all disputes in terms of the arbitration agreement contained in the Concession Agreement. The proceedings of the arbitration are in progress as of 31st March 2017.

Based on above reasons, these financial statements are prepared not on a going concern basis and accordingly, in the financial statement, all assets and liabilities are classified as current. However, the possible material adjustment that may be required to be made to the value of the recorded assets and liabilities could not be made by the management of the company in the financial statements on accounts of these not being readily ascertainable in view of the pending negotiations, reconciliation and arbitration proceedings

2.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.3 Cash & Cash equivalent

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

2.4 Cash Flow statement

Cash flow statement - '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.

2.5 Fixed Assets

Fixed assets are stated at cost of acquisition, less accumulated depreciation and impairment losses (if any). Cost of acquisition includes duties, taxes, incidental expenses, erection/commissioning expenses. Borrowing costs during the period of construction is added to the cost of eligible fixed assets.



HALDIA WATER MANAGEMENT LIMITED

Note 01: Notes to the Financial Statements

2.6 Depreciation

Depreciation on plant and machinery is provided on straight line basis at the rates specified in schedule II to the Companies Act, 2013.

Assets valued below Rs.5,000/- and mobile phones are depreciated over a period of one year from the date of capitalization.

Office equipment and furniture & fixtures are depreciated on straight line basis over the estimated useful life of the assets or schedule II to the Companies Act, 2013 whichever is higher.

2.7 Revenue Recognition

Revenue 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. Revenue Comprises:- Interest income recognized on accrual basis.

2.8 Borrowing Costs

Borrowing costs include interest and amortization 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 utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets.

2.9 Taxes on Income

Current tax represents the amount that would be payable based on computation of tax as per prevailing taxation laws. Deferred tax is accounted for by computing the tax effect of timing differences which arises during the year and reverse in subsequent period, applying the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet dates.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

2.10 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



HALDIA WATER MANAGEMENT LIMITED

Note 01: Notes to the Financial Statements

2.11 Provisions

Provisions are recognised in the balance sheet when the company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date

2.12 Impairment of Assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.



	As at March 31, 2017 (Rupees)		As at March 31, 2016 (Rupees)		As at 01 April 2015 (Rupees)	
	Non-current	Current	Non-current	Current	Non-current	Current
Note 2- TRADE AND OTHER RECEIVABLES						
A. Trade Receivables						
(i) More than six months	-	469,71,101	-	469,71,101	-	469,71,101
(ii) Other Trade Receivables	-	-	-	-	-	-
Gross Trade Receivables	-	469,71,101	-	469,71,101	-	469,71,101
Less: Provision for bad and doubtful debts on						
(i) More than six months	-	204,97,271	-	204,97,271	-	204,97,271
(ii) Other Trade Receivables	-	-	-	-	-	-
Net Trade Receivables	-	264,73,830	-	264,73,830	-	264,73,830
Classification of Trade Receivables						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	-	264,73,830	-	264,73,830	-	264,73,830
Doubtful	-	204,97,271	-	204,97,271	-	204,97,271
Less: Provision for doubtful trade receivable	-	204,97,271	-	204,97,271	-	204,97,271
Total Trade Receivables	-	264,73,830	-	264,73,830	-	264,73,830

Notes:

(a) The total Net trade receivable balance as at March 31, 2017 of Rs.2,64,73,830.00 (as at March 31, 2016 of Rs. 2,64,73,830; as at April 01, 2015 of Rs. 2,64,73,830) is due from Haldia Development Authority

(b) Ageing of receivables:

Particulars	As at March 31, 2017 (Rupees)		As at March 31, 2016 (Rupees)		As at 01 April 2015 (Rupees)	
	Non-current	Current	Non-current	Current	Non-current	Current
Amounts not yet due	-	-	-	-	-	-
One month overdue	-	-	-	-	-	-
Two months overdue	-	-	-	-	-	-
Three months overdue	-	-	-	-	-	-
Between three to six months overdue	-	-	-	-	-	-
Greater than six months overdue	-	264,73,830	-	264,73,830	-	264,73,830

(c) Movement in provision for doubtful trade receivables:

	As at March 31, 2017 (Rupees)		As at March 31, 2016 (Rupees)		As at 01 April 2015 (Rupees)	
Balance at the beginning of the period	-	204,97,271	-	204,97,271	-	204,97,271
Movement in provisions on trade receivables	-	-	-	-	-	-
Balance at the end of the year	-	204,97,271	-	204,97,271	-	204,97,271



HALDIA WATER MANAGEMENT LIMITED
Notes Forming Part of Financial Statement

	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees	As at April 01, 2015 Rupees
Note 3 CASH AND BANK BALANCES			
(a) Cash on hand	215	215	215
(b) Unrestricted Balances with banks			
(i) In current account	1,74,049	1,60,764	2,39,042
(c) Earmarked Balances with banks			
(i) In Deposit Account	17,79,623	16,62,622	15,40,135
	19,53,887	18,23,601	17,79,392

(a) As per MCA notification dated 30th March 2017, details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 is provided in the table below:

Particulars	(Rupees)		
	SBN's	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	-	215	215
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Cash deposited in banks	-	-	-
Closing Cash in hand as on 30.12.2016	-	215	215



HALDIA WATER MANAGEMENT LIMITED
Notes Forming Part of Financial Statement

Note 4 - OTHER FINANCIAL ASSETS	As at March 31, 2017 (Rupees)			As at March 31, 2016 (Rupees)			As at April 01, 2015		
	Non Current	Current	Total	Non Current	Current	Total	Non Current	Current	Total
(a) Security deposits	-	15,153	15,153	-	15,153	15,153	-	05,153	05,153
(h) Loans and advances	-	1101,83,530	1101,83,530	-	1101,04,530	1101,04,530	-	1101,83,934	1101,83,934
Gross Other Financial Assets	-	1101,98,691	1101,98,691	-	1101,99,683	1101,99,683	-	1102,69,087	1102,69,087
Less: Provision for bad & doubtful other financial assets									
(a) Security deposits	-	-	-	-	-	-	-	-	-
(b) Loans and advances	-	-	-	-	-	-	-	-	-
Classification of other financial assets									
Secured, considered good	-	1101,98,691	1101,98,691	-	1101,99,683	1101,99,683	-	1102,69,087	1102,69,087
Unsecured, considered good	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-
Gross Other Financial Assets	-	1101,98,691	1101,98,691	-	1101,99,683	1101,99,683	-	1102,69,087	1102,69,087



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HALDIA WATER MANAGEMENT LIMITED
Notes Forming Part of Financial Statement

Note 5 : SHARE CAPITAL

Authorised :

30,000,000 Equity Shares of Rs. 10 each (Previous Year 30,000,000 Equity Shares of Rs. 10/- each)

As at March 31, 2017 Rupees	As at March 31, 2016 Rupees	As at April 01, 2015 Rupees
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3000,00,000	3000,00,000	3000,00,000
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Issued , Subscribed and Fully Paid up :

27,773,683 Equity Shares of Rs 10 each (Previous Year 27,773,683 Equity Shares of Rs. 10/- each)

2777,36,830	2777,36,830	2777,36,830
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2777,36,830	2777,36,830	2777,36,830
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Notes:

(a) Reconciliation of the number of Equity shares and the amount outstanding at the beginning and at the end of the reporting period is as below:

Particulars	Number of Shares	Share Capital (Rupees)
Balance at April 01, 2015	277,73,683	2777,36,830
Shares issued during 2015-16	-	-
Balance at March 31, 2016	277,73,683	2777,36,830
Shares issued during 2016-17	-	-
Balance at March 31, 2017	277,73,683	2777,36,830

Details of shareholders holding more than 5% shares of the total Shares

Name of Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jamshedpur Utilities & Services Company Ltd.	166,64,210	60%	166,64,210	60%
Ranhill Utilities Sdn Bhd	111,09,473	40%	111,09,473	40%

Name of Shareholder	April 1, 2015	
	No. of Shares held	% of Holding
Jamshedpur Utilities & Services Company Ltd.	166,64,210	60%
Ranhill Utilities Sdn Bhd	111,09,473	40%

As at March 31, 2017 Rupees	As at March 31, 2016 Rupees	As at April 1, 2015 Rupees
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Note 6: Other Equity

(18861,77,860)	(17504,60,497)	(16281,51,907)
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Retained Earnings

Reconciliation of Retained Earnings

At beginning of the period

(17504,60,497)	(16281,51,907)
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Profit / (Loss) for the period

(1357,17,363)	(1223,08,590)
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Other Comprehensive income for the period

-	-
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At end of period

(18861,77,860)	(17504,60,497)
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	As At March 31, 2017 (Rupees)			As At March 31, 2016 (Rupees)			As At April 01, 2015 (Rupees)		
	Long Term	Short Term	Total	Long Term	Short Term	Total	Long Term	Short Term	Total
Note 7 : BORROWINGS									
(a) From Bank									
Term Loan	-	-	-	-	-	-	-	-	-
Working Capital Demand Loans	-	-	-	-	-	-	-	-	-
(b) Unsecured Loan and Advances from related parties									
ICD From Holding Co	-	1650,00,000	1650,00,000	-	1650,00,000	1650,00,000	-	1650,00,000	1650,00,000
	-	1650,00,000	1650,00,000	-	1650,00,000	1650,00,000	-	1650,00,000	1650,00,000

(a) The unsecured Inter Corporate Deposits (ICD) has been obtained from the holding company, M/s Jamshedpur Utilities and Services Company Limited in two tranches. The first tranche of Rs. 5 Crore is repayable on demand and has been obtained at SBI PLR which is currently 14.05%. The second tranche of Rs. 11.50 Crore is repayable on demand and has been obtained at 10.50% rate of interest.

	As At March 31, 2017 (Rupees)			As At March 31, 2016 (Rupees)			As At April 1, 2015 (Rupees)		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Note 8 - TRADE PAYABLES									
(a) Creditors for supplies/Services	-	4143,47,508	4143,47,508	-	4140,79,267	4140,79,267	-	4130,53,242	4130,53,242
(b) Creditors for accrued wages and salaries	-	-	-	-	-	-	-	6,64,139	6,64,139
	-	4143,47,508	4143,47,508	-	4140,79,267	4140,79,267	-	4137,17,381	4137,17,381

	As At March 31, 2017 (Rupees)			As At March 31, 2016 (Rupees)			As At April 1, 2015 (Rupees)		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Note 9 - OTHER FINANCIAL LIABILITIES									
(a) Current Maturities of Secured Long-term debt	-	4962,95,691	4962,95,691	-	4962,95,691	4962,95,691	-	4962,95,691	4962,95,691
(b) Interest Accrued but not due on borrowings	-	105,16,968	105,16,968	-	107,58,379	107,58,379	-	99,78,619	99,78,619
(c) Interest Accrued but due on borrowings	-	4637,81,577	4637,81,577	-	3279,36,300	3279,36,300	-	2066,84,164	2066,84,164
(d) Creditors for capital supplies/services	-	613,51,982	613,51,982	-	613,51,982	613,51,982	-	613,51,982	613,51,982
(e) Liabilities for Licence Fees	-	121,20,559	121,20,559	-	121,20,559	121,20,559	-	121,20,559	121,20,559
(f) Other credit balances	-	1236,53,153	1236,53,153	-	1236,78,603	1236,78,603	-	1237,88,990	1237,88,990
	-	11677,19,930	11677,19,930	-	10321,41,514	10321,41,514	-	9102,20,005	9102,20,005

Term Loan

- Secured by first charge on the present and future assets to be created by the Company out of bank finance except land and building
- Rate of Interest is SBI 3R+4.40%
- Terms of Repayment of Term Loan are as follows :
The term loan is repayable at a Quarterly installment of Rs. 1,50,00,000 each, the 1st installment being due in April 2013, the last installment payable in April, 2021 amounting to Rs. 14,800,000/- However based on the facts mentioned in note 2.1(a) to 2.1(d) entire portion has been considered as immediately due for payment and has been disclosed under Other Financial Liability in note 9 Further installments due in the current year along with interest thereon amounting to Rs. 17,65,03,865/- has not been paid by the company as on 31.03.2017



HALDIA WATER MANAGEMENT LIMITED
Notes Forming Part of Financial Statement

	April - March'17	April - March'16
	Rupees	Rupees
Note 10 : OTHER INCOME		
a) Interest on Fixed Deposits & others	1,30,002	1,36,480
b) Liability no longer required written back	-	2,49,292
c) Miscellaneous Income	557	92,891
	<u>1,30,559</u>	<u>4,78,663</u>
Note 11 : EMPLOYEE BENEFIT EXPENSES		
(a)Salaries and wages	-	5,69,506
	<u>-</u>	<u>5,69,506</u>
Note 12 : FINANCE COST		
Interest expense on		
(i) Fixed Loans	1165,03,865	1028,13,930
(ii) Others	191,00,001	192,17,966
	<u>1356,03,866</u>	<u>1220,31,896</u>
Note 13 : OTHER EXPENSES		
Auditor Remuneration	2,12,750	1,14,500
Rent	-	41,922
Travelling and Conveyance Expenses	-	9,926
Bank Charges	1,265	-
Other Expenses	30,041	19,503
	<u>2,44,056</u>	<u>1,85,851</u>



HALDIA WATER MANAGEMENT LIMITED

14. Additional information to the financial statements

14.1 The management had in an earlier year reviewed the future cash flows expected to be generated from the new water treatment plant being constructed by the Company carried as Capital Work in Progress. Based on the management review, it was assessed that the value in use does not cover the carrying value of the assets. Similar review was made by the Management in current financial year and it was assessed that the carrying value of the assets continues to be higher than the value in use. Accumulated impairment loss against the carrying value of the Capital Work in Progress (including Capital Advances) amounts to Rs.88,64,63,563 (Previous year Rs.88,64,63,563).

However based on FAQ issued by ICAI on deemed cost of Property, Plant and Equipment under Ind AS 101 which provides an option to continue with the carrying value for all of its property, plant and equipment measured as per previous GAAP and use that as deemed cost on the date of transition. Hence the amount of PPE on 31st March 2015 has been disclosed accordingly at NIL Value.

14.2 Dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any memorandum (as required to be filed by the suppliers with the notified Authority under the Micro, Small and Medium Enterprises Development Act, 2006) from suppliers claiming their status as micro or small enterprises. Consequently, required disclosures are NIL

14.3 Auditors Remuneration (Excluding applicable Service Tax)

	For the Year ended March 31, 2017 (Rupees)	For the Year ended March 31, 2016 (Rupees)
For services as Statutory Auditors	1,00,000	1,00,000
For services as IFC Auditors	55,000	
For services as Ind AS Auditors	30,000	

14.4 Related Parties disclosures

Name of the Party	Relationship
Jamshedpur Utilities and Services Company Limited	Holding Company
TATA Steel Limited	Ultimate Holding Company
Ranhill Utilities Sdn Bhd	Associate
SEZ Adityapur Limited	Joint Venture of Holding Company
Naba Diganta Water Management Limited	Joint Venture of Holding Company
Mr. Rabindra Kumar Singh	Key Managerial Personnel

(a) Transactions between the Company and Related Party during the year ended March 31, 2017:

Jamshedpur Utilities and Services Company Limited

Particulars	2016-17 (Rupees)	2015-16 (Rupees)
Expenses incurred by JUSCO on behalf of the Company	1,81,616	17,39,114
Interest Charged	1,91,00,001	1,92,17,966



HALDIA WATER MANAGEMENT LIMITED

(b) O/s Balance between the Company and related Party

Jamshedpur Utilities and Services Company Limited

Particulars	2016-17 (Rupees)	2015-16 (Rupees)	2014-15 (Rupees)
Amount of Loan/Advance payable as at the end of the year	16,50,00,000	16,50,00,000	16,50,00,000
Amount payable as at the end of the Year	25,58,27,937	23,65,46,320	21,55,89,240

Ranhill Utilities Sdn Bhd

Particulars	2016-17 (Rupees)	2015-16 (Rupees)	2014-15 (Rupees)
Amount payable as at the end of the year	4,82,99,423	4,82,99,423	4,82,99,423

14.5 Segment Information

The company is engaged in providing services relating to sale of water. Considering the nature of the Company's business, there are no reportable segments in accordance with the requirements of Ind AS-108.

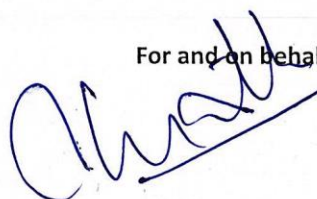
14.6 Earning per Share

Particulars	2016-17 (Rupees)	2015-16 (Rupees)
Loss after Tax	(13,57,17,363)	(12,23,08,590)
Net Loss attributable to ordinary Shareholders	(13,57,17,363)	(12,23,08,590)
Weighted average number. of Ordinary Shares for Basic/Diluted EPS	27,773,683	27,773,683
Nominal value of Ordinary Shares	10	10
Basic / Diluted Earnings per Ordinary Share	(4.89)	(4.40)

14.7 The transition from previous GAAP to IND AS does not have any impact on the Financial Statements.

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

For and on behalf of the Board of Directors



Ashish Mathur
(Director)



Indrajit Roy
(Director)

Jamshedpur, 20 April, 2017

