

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HALDIA WATER MANAGEMENT LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of **HALDIA WATER MANAGEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018 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 Ind AS Financial Statements

2. 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 Ind AS financial statements to 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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 of 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, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including 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.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Basis for Disclaimer of Opinion

8. " We draw attention to Note 2.1(a) to 2.1(e) and Note 13.2.3 & 13.2.4 which states that;
- (i) accumulated losses exceed the share capital of the Company as at the year-end thereby eroding the net worth of the Company. The entity has a net liability position as at March 31, 2018 and the operations of the company are suspended which indicates continued existence of material uncertainties casting significant doubt about the ability of the Company to continue as a going concern basis thus resulting in preparation of financial statements on a basis other than going concern (Net realizable value) basis and;
 - (ii) impact of the Consent order passed by the Arbitrator on March 29, 2018 has not been given effect in these financial statements by the management pending agreement of the same with the bankers and consequent reconciliation of amounts receivable / payable by the parties, post which the balances in the financial statements are expected to change materially"

Disclaimer of Opinion

9. As stated in paragraph 8 above, regarding preparation of financial statements on a basis other than a going concern (net realizable value) basis and material uncertainties prevailing due to pending accounting of the Consent award post agreement of the same with the bankers and consequent reconciliation of receivable and payable balances, arising therefrom, if any, as at the year end, we are unable to obtain sufficient and appropriate evidence to express an opinion of the state of affairs of the Company as at March 31, 2018, its total comprehensive income (comprising of profit/ loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other matter

10. The Ind AS financial statements of the Company for the year ended March 31, 2017 were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated April 20, 2017 given a disclaimer of opinion on those financial statements in view of the material uncertainties prevailing due to ongoing arbitration proceedings, consequent reconciliation of receivable and payable balances between Haldia Development Authority and the Company.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. 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.
 - (d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- (e) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (f) These financial statements have been prepared on a net realizable value basis as the going concern assumption is considered inappropriate. Refer paragraph 9 above.
- (g) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: FRN 304026E / E 300009
Chartered Accountants

Jamshedpur
April 16 2018

Avijit Mukerji
Partner
Membership Number 056155

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(h) of the Independent Auditors' Report of even date to the members of Haldia Water Management Limited on the financial statements for the year ended March 31, 2018

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Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We were engaged to audit the internal financial controls over financial reporting of Haldia Water Management Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 (ICAI). 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 Act.

Auditors' Responsibility

3. 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") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI.
4. Because of the matter described in 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

5. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Basis for Disclaimer of Opinion

6. As explained in Notes 2.1 (a) to 2.1 (e) with regard to assessment of material adjustments that may arise / may be required to be made to the recorded values of assets and liabilities, the system of

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(h) of the Independent Auditors' Report of even date to the members of Haldia Water Management Limited on the financial statements for the year ended March 31, 2018

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internal financial controls over financial reporting of the Company were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.

Disclaimer of Opinion

7. As described in the Basis for Disclaimer paragraph above, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018 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 ICAI.
8. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2018, and the disclaimer has affected our opinion on the financial statements of the Company and we have issued a disclaimer of opinion on the financial statements for the year ended on that date. (Refer paragraph 9 of the main audit report)

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Jamshedpur
April 16, 2018

Avijit Mukerji
Partner
Membership Number 056155

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Haldia Water Management Limited on the financial statements as of and for the year ended March 31, 2018

- i. The Company does not have any fixed assets. Therefore, the provisions of Clause 3(i) (a), (b) and (c) of the said Order are not applicable to the Company.
- ii. The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- 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 Act. Therefore, the provisions of Clause 3(iii) (a) (b) and (c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The , Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2018, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
Commercial Tax	Professional Tax	200	May 2015	June 20,2015	Not yet paid

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members Haldia Water Management Limited on the financial statements for the year ended March 31, 2018

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- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in payment of term loan and interest thereon for the period from April 1 2013 to March 31, 2018 as described below. The Company has neither borrowed any money from government nor issued any debenture.

Name of the Lender	Nature of dues	Period of default	Amount of default (Rs.)
State Bank of India	Term Loan-Principal	April 2013 to March 31,2018	300,000,000
State Bank of India	Interest thereon	April 2013 to March 31,2018	509,331,877

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members Haldia Water Management Limited on the financial statements for the year ended March 31, 2018

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- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: FRN 304026E / E 300009
Chartered Accountants

Jamshedpur
April 16, 2018

Avijit Mukerji
Partner
Membership Number 056155

HALDIA WATER MANAGEMENT LIMITED

Balance Sheet as at March 31,2018

	Note No.	As at March 31,2018 Rupees	As at March 31,2017 Rupees
ASSETS			
Non Current Assets			
Property Plant and Equipments	13.2	-	-
Current Assets			
<i>(a)</i> Financial Assets			
(i) Trade Receivables	2	26,473,830	26,473,830
(ii) Cash and Cash Equivalent	3	2,087,356	1,953,887
(iii) Other Financial Assets	4	110,196,616	110,198,691
Total Current Assets		138,757,802	138,626,408
Total Assets		138,757,802	138,626,408
EQUITY AND LIABILITIES			
Equity			
<i>(a)</i> Equity Share Capital	5	277,736,830	277,736,830
<i>(b)</i> Other Equity	6	(2,016,627,976)	(1,886,177,860)
Total Equity		(1,738,891,146)	(1,608,441,030)
Liabilities			
Current Liabilities			
<i>(a)</i> Financial Liabilities			
(i) Borrowings	7	165,000,000	165,000,000
(ii) Trade Payables	8	414,347,508	414,347,508
(iii) Other Financial Liabilities	9	1,298,301,440	1,167,719,930
Total Current liabilities		1,877,648,948	1,747,067,438
Total Liabilities		1,877,648,948	1,747,067,438
Total Equity and Liabilities		138,757,802	138,626,408

The notes referred to above forms an integral part of Balance Sheet

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number - FRN304026E/E300009

For and on behalf of the Board of Directors

Avijit Mukerji
Partner
Membership No - 056155

Ashish Mathur
Director
DIN - 03508443

Indrajit Roy
Director
DIN - 07521784

Jamshedpur, April 16, 2018

Jamshedpur, April 16, 2018

HALDIA WATER MANAGEMENT LIMITED
Statement of Profit and Loss for the Year Ended March 31,2018

	Note No.	For the Year ended March 31,2018	For the Year ended March 31,2017
		Rupees	Rupees
I. Other Income	10	133,395	130,559
Total Revenue		133,395	130,559
II. Expenses :			
(a) Finance costs	11	130,512,219	135,603,866
(b) Other expenses	12	71,292	244,056
Total Expenses		130,583,511	135,847,922
III. Loss Before Taxes (I - II)		(130,450,116)	(135,717,363)
IV. Income Tax Expenses			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Total Income Taxes		-	-
V. Loss After Taxes (III-IV) for the year		(130,450,116)	(135,717,363)
VI. Other comprehensive income		-	-
Total Other Comprehensive Income		-	-
Total comprehensive income for the year (V + VI)		(130,450,116)	(135,717,363)
Basic and Diluted Earnings per Share (Refer note 13.7)		(4.70)	(4.89)

The notes referred to above forms an integral part of Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number - FRN304026E/E300009

For and on behalf of the Board of Directors

Avijit Mukerji
Partner
Membership No - 056155

Ashish Mathur
Director
DIN - 03508443

Indrajit Roy
Director
DIN - 07521784

Jamshedpur, April 16, 2018

Jamshedpur, April 16, 2018

HALDIA WATER MANAGEMENT LIMITED

Cash Flow Statement for the Year Ended March 31, 2018

	For the year ended March 31, 2018	For the year ended March 31, 2017
	Rupees	Rupees
A) Cash Flow from Operating activities:		
Loss before taxes	(130,450,116)	(135,717,363)
Adjustments for:		
Finance cost	130,512,219	135,603,866
Interest received	(132,675)	(130,002)
	130,379,544	135,473,864
Operating loss before working capital changes	(70,572)	(243,499)
Adjustments for:		
Movements in trade and other receivables	2,075	992
Movements in trade and other payables	69,291	242,791
	71,366	243,783
Net Cash generated from operations (A)	794	284
B) Cash flow from Investing Activities:		
Fixed / restricted deposits with banks (placed) / realised	(121,750)	(117,001)
Interest received from external investments / agencies (Bank etc.)	132,675	130,002
	10,925	13,001
Net cash from / (used in) Investing activities (B)	10,925	13,001
B) Cash flow from Financing Activities:		
Net cash from / (used in) Financing activities (C)	-	-
Net Increase / (decrease) in Cash and Cash equivalents (A+B+C)	11,719	13,285
Cash and Cash equivalents at the beginning of the year	174,264	160,979
Cash and Cash equivalents at the end of the year	185,983	174,264
Cash and Cash Equivalents comprise of:		
Cash on Hand	215	215
Balance with Banks on current account	185,768	174,049
	185,983	174,264

This is the Cash flow Statement referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number - FRN304026E/E300009

For and on behalf of the Board of Directors

Avijit Mukerji
Partner
Membership No - 056155

Ashish Mathur
Director
DIN - 03508443

Indrajit Roy
Director
DIN - 07521784

Jamshedpur, April 16, 2018

Jamshedpur, April 16, 2018

HALDIA WATER MANAGEMENT LIMITED
Statement Of Changes In Equity As At March 31, 2018

A. Equity Share Capital (Issued and subscribed)	Rupees	
Balance as at April 1, 2016	277,736,830	
Changes in equity share capital during the year	-	
Balance as at March 31, 2017	277,736,830	
Changes in equity share capital during the year	-	
Balance as at March 31, 2018	<u>277,736,830</u>	

B. Other Equity	Rupees	
	Retained Earnings	Total
Balance as at April 1, 2016	(1,750,460,497)	(1,750,460,497)
Loss for the year	(135,717,363)	(135,717,363)
Other Comprehensive Income	-	-
Balance as at March 31, 2017	(1,886,177,860)	(1,886,177,860)
Loss for the year	(130,450,116)	(130,450,116)
Other Comprehensive Income	-	-
Balance as at March 31, 2018	<u>(2,016,627,975)</u>	<u>(2,016,627,976)</u>

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number - FRN304026E/E300009

For and on behalf of the Board of Directors

Avijit Mukerji
Partner
Membership No - 056155

Ashish Mathur	Indrajit Roy
Director	Director
DIN - 03508443	DIN - 07521784

Jamshedpur, April 16, 2018

Jamshedpur, April 16, 2018

HALDIA WATER MANAGEMENT LIMITED

Notes Forming Part to the Financial Statement

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, PurbaMedinipur - 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 (also refer notes 13.2.1 to 13.2.5).
- 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 financial statements have been prepared under the net realisable value convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind-As.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 (b) 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, 2018.

- 2.1 (b)** The Company has, as at the date of the Balance sheet, accumulated losses aggregating to Rs.20166,27,976/- (2016-17: Rs.18861,77,860/-) which is in excess of the share capital of the company amounting to Rs.277,736,830/- (2016-17: 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 had 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 the year 2012-2013. The operation had been then taken over by HDA in the year 2012-2013.

HALDIA WATER MANAGEMENT LIMITED

Notes Forming Part to the Financial Statement

2.1(d) The Company had in the 2013-14 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 have been concluded with the consent order passed by the arbitrator on 29th March 2018. The formal acceptance of Company's exit from the business by HDA and settlement of receivables and payables between the Company and HDA including final settlement /take over of State Bank of India loan and capital assets by the HDA, pursuant to the consent order, has been initiated. The effect of the consent order has not been given in these financial statements pending agreement of the same with the State Bank of India (Refer note 13.2.1 to 13.2.5 for more detail).

2.1(e) Based on above reasons, these financial statements are prepared not on a going concern basis. Accordingly, in the financial statement, all assets and liabilities are classified as current and recorded at their net realisable values.

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.

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.

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.

HALDIA WATER MANAGEMENT LIMITED

Notes Forming Part to the Financial Statement

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

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.

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.

Constructive obligation is an obligation that derives from an entity's actions where:

- (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and
- (b) As a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

HALDIA WATER MANAGEMENT LIMITED

Notes Forming Part to the Financial Statement

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.

2.13 Financial Instruments

Cash and Bank Balances

Cash and bank balances consist of:

- i) **Cash and cash equivalents** - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

Derecognition of financial assets

The company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership

HALDIA WATER MANAGEMENT LIMITED

Notes Forming Part to the Financial Statement

and continues to control the transferred asset, the company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognize the financial asset and also recognizes a collateralized borrowing of the proceeds received.

a) Financial liabilities and equity instruments

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

Derecognition of financial liabilities

The company derecognizes financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire.

HALDIA WATER MANAGEMENT LIMITED
Notes Forming Part of the Financial Statement

Note 2- TRADE AND OTHER RECEIVABLES	As at March 31, 2018			As at March 31, 2017		
	Rupees			Rupees		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good	-	26,473,830	26,473,830	-	26,473,830	26,473,830
Doubtful	-	20,497,271	20,497,271	-	20,497,271	20,497,271
Less: Provision for doubtful trade receivable		20,497,271	20,497,271	-	20,497,271	20,497,271
Total Trade Receivables	-	26,473,830	26,473,830	-	26,473,830	26,473,830

Notes:

(a) The total Net trade receivable balance as at March 31, 2018 of Rs.2,64,73,830/- (as at March 31, 2017 of Rs. 2,64,73,830/-) is due from Haldia Development Authority.

(b) Ageing of receivables:

Particulars	As at March 31, 2018	As at March 31, 2017
	Rupees	Rupees
Amounts not yet due	-	-
One month overdue	-	-
Two months overdue	-	-
Three months overdue	-	-
Between three to six months overdue	-	-
Greater than six months overdue	26,473,830	26,473,830

HALDIA WATER MANAGEMENT LIMITED
Notes Forming Part of the Financial Statement

	As at March 31, 2018 Rupees	As at March 31, 2017 Rupees
Note 3 CASH AND CASH EQUIVALENTS		
(a) Cash on hand	215	215
(b) Unrestricted Balances with banks		
(i) In current account	185,768	174,049
(c) Earmarked Balances with banks		
(i) In Deposit Account	1,901,373	1,779,623
Total Cash and Cash Equivalents	2,087,356	1,953,887

(a) As per MCA notification G.S.R. 308(E) dated 30th March 2017, details of Specified Bank Notes (SBC) held and transacted during the period from 8th November 2016 to 30th December 2016 is provided in the table below:

Particulars	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 the Financial Statement

	As at March 31, 2018			As at March 31, 2017		
	Rupees			Rupees		
Note 4 - OTHER FINANCIAL ASSETS	Non Current	Current	Total	Non Current	Current	Total
(a) Security deposits	-	15,153	15,153	-	15,153	15,153
(b) Loans and advances	-	110,181,463	110,181,463	-	110,183,538	110,183,538
Total Other Financial Assets	-	110,196,616	110,196,616	-	110,198,691	110,198,691
Less: Provision for bad & doubtful advances						
(a) Security deposits	-	-	-	-	-	-
(b) Loans and advances	-	-	-	-	-	-
Classification of other financial assets						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	-	110,196,616	110,196,616	-	110,198,691	110,198,691
Doubtful	-	-	-	-	-	-
Total Other Financial Assets	-	110,196,616	110,196,616	-	110,198,691	110,198,691

HALDIA WATER MANAGEMENT LIMITED
Notes Forming Part of the Financial Statement

	As at March 31, 2018 Rupees	As at March 31, 2017 Rupees
Note 5 : EQUITY SHARE CAPITAL		
Authorised :		
30,000,000 Equity Shares of Rs. 10 each (Previous Year 30,000,000) Equity Shares of Rs. 10/- each	300,000,000	300,000,000
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	277,736,830	277,736,830
	277,736,830	277,736,830

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
Balance at March 31, 2016	2,773,683	2,773,683
Shares issued during the year	-	-
Balance at March 31, 2017	2,773,683	2,773,683
Shares issued during the year	-	-
Balance at March 31, 2018	2,773,683	2,773,683

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

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jamshedpur Utilities & Services Company Ltd.	16,664,210	60%	16,664,210	60%
Ranhill Utilities Sdn Bhd	11,109,473	40%	11,109,473	40%

	As at March 31, 2018 Rupees	As at March 31, 2017 Rupees
Note 6: Other Equity		
Retained Earnings	(2,016,627,976)	(1,886,177,860)
Reconciliation of Retained Earnings		
Balance as at the beginning of the year	(1,886,177,860)	(1,750,460,497)
Loss for the year	(130,450,116)	(135,717,363)
Other Comprehensive income for the year	-	-
Balance as at the end of year	(2,016,627,976)	(1,886,177,860)

Note 7 : BORROWINGS	As At March 31, 2018 (Rupees)			As At March 31, 2017 (Rupees)		
	Long Term	Short Term	Total	Long Term	Short Term	Total
(a) Unsecured Loan and Advances from related parties						
ICD From Holding Company	-	165,000,000	165,000,000		165,000,000	165,000,000
	-	165,000,000	165,000,000	-	165,000,000	165,000,000

(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.

Note 8 - TRADE PAYABLES	As At March 31, 2018 (Rupees)			As At March 31, 2017 (Rupees)		
	Non-current	Current	Total	Non-current	Current	Total
(a) Creditors for supplies/Services	-	414,347,508	414,347,508	-	414,347,508	414,347,508
	-	414,347,508	414,347,508	-	414,347,508	414,347,508

Note 9 - OTHER FINANCIAL LIABILITY	As At March 31, 2018 (Rupees)			As At March 31, 2017 (Rupees)		
	Non-current	Current	Total	Non-current	Current	Total
(a) Current Maturities of Secured Long-term debt	-	496,295,691	496,295,691	-	496,295,691	496,295,691
(b) Interest Accrued but not due on borrowings	-	11,560,968	11,560,968	-	10,516,968	10,516,968
(c) Interest Accrued but due on borrowings	-	593,249,797	593,249,797	-	463,781,577	463,781,577
(c) Creditors for capital supplies/services	-	61,351,982	61,351,982	-	61,351,982	61,351,982
(d) Liabilities for Licence Fees	-	12,120,559	12,120,559	-	12,120,559	12,120,559
(e) Other credit balances	-	123,722,443	123,722,443	-	123,653,153	123,653,153
	-	1,298,301,440	1,298,301,440	-	1,167,719,930	1,167,719,930

Term Loan

1. Secured by first charge on the present and future assets to be created by the Company out of bank finance except land and Building.

2. Rates of Interest is SBI BR+4.40%

3. Terms of Repayment of Term Loan are as follows :

The term loan is repayable at a Quaterly 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.

HALDIA WATER MANAGEMENT LIMITED
Notes Forming Part of the Financial Statement

	For the year ended March 31, 2018 Rupees	For the year ended March 31, 2017 Rupees
Note 10 : OTHER INCOME		
a) Interest on Fixed Deposits	132,675	130,002
b) Miscellaneous Income	720	557
	<u>133,395</u>	<u>130,559</u>
Note 11 : FINANCE COST		
Interest expense on		
(i) Fixed Loans	130,512,219	116,503,865
(ii) Others	-	19,100,001
	<u>130,512,219</u>	<u>135,603,866</u>
Note 12 : OTHER EXPENSES		
Auditor Remuneration (Refer note 13.4)	64,900	212,750
Bank Charges	2,002	1,265
Other Expenses	4,390	30,041
	<u>71,292</u>	<u>244,056</u>

(13.1) Financial Instruments**Disclosure on financial instruments**

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet items that contains financial instruments. The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial assets, financial liabilities and equity instruments are disclosed in notes to financial statements.

(i) Categories of financial instruments

Particulars	As at March 31, 2018 Rupees	As at March 31, 2017 Rupees
Financial assets		
Measured at amortised cost		
(a) Cash and bank balances	2,087,356	1,953,887
(b) Trade Receivables	26,473,830	26,473,830
(c) Other financial assets at amortised cost	110,196,616	110,198,691
Financial Liabilities		
Measured at amortised cost		
(a) Borrowings	165,000,000	165,000,000
(b) Trade payables	414,347,508	414,347,508
(c) Other financial liabilities	1,298,301,440	1,167,719,930

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets designated at Fair Value through Profit & Loss (FVTPL). The carrying amount reflected above represents the entities maximum exposure to credit risk for such financial assets.

(ii) Financial Risk management objectives

Based on the reasons specified in Notes 2.1(a) to 2.1(d), the company has stopped business operations and is under negotiations and reconciliations. Company is exposed to liquidity risk since the financial liability are more than the financial assets.

Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Interest rate sensitivity analysis:

The sensitivity analysis have been determined based on the exposure to interest rates for financial assets and liabilities at the end of the reporting period. For financial assets/liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used to check the sensitivity which represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the entities loss for the year ended March 31, 2018 would increase/decrease by ₹ 49,62,957/-. (for the year ended March 31, 2017: ₹ 88,56,323/-). This is mainly on account of company's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Since the company has stopped business operations, and is under reconciliations and arbitration proceedings, the company is not exposed to credit risk of customers.

Liquidity risk management

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31st, 2018 and March 31st, 2017.

HALDIA WATER MANAGEMENT LIMITED

NOTE 13: Notes Forming Part of the Financial Statements

Particulars	Carrying amount	Contractual cash flows	less than 1 year	Rupees	
				between 1 - 5 years	More than 5 years
March 31, 2018					
Non-derivative financial liabilities					
Borrowings					
(i) Principal	165,000,000	165,000,000	165,000,000	-	-
(ii) Interest	-	9,662,500	9,662,500	-	-
Trade payables	414,347,508	414,347,508	414,347,508	-	-
Other financial liabilities	1,298,301,440	1,298,301,440	1,298,301,440	-	-
	1,877,648,948	1,887,311,447	1,887,311,447	-	-
March 31, 2017					
Non-derivative financial liabilities					
Borrowings					
(i) Principal	165,000,000	165,000,000	165,000,000	-	-
(ii) Interest	-	9,662,500	9,662,500	-	-
Trade payables	414,347,508	414,347,508	414,347,508	-	-
Other financial liabilities	1,167,719,930	1,167,719,930	1,167,719,930	-	-
	1,747,067,438	1,756,729,938	1,756,729,938	-	-
<p>The following table details the entities expected maturity for its non derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of the information is necessary in order to understand the entities liquidity risk management as the liquidity is managed on a net asset and liability basis.</p>					
Particulars	Carrying amount	less than 1 year	between 1 - 5 years	Rupees	
				More than 5 years	
March 31, 2018					
Non-derivative financial assets					
Trade Receivables	26,473,830	26,473,830	-	-	-
Cash and bank balances	2,087,356	2,087,356	-	-	-
Other financial assets	110,196,616	110,196,616	-	-	-
	138,757,802	138,757,802	-	-	-
March 31, 2017					
Non-derivative financial assets					
Trade Receivables	26,473,830	26,473,830	-	-	-
Cash and bank balances	1,953,887	1,953,887	-	-	-
Other financial assets	110,198,691	110,198,691	-	-	-
	138,626,408	138,626,407	-	-	-

HALDIA WATER MANAGEMENT LIMITED

Notes Forming Part of the Financial Statements

13. Additional information to the financial statements

- 13.2.1** 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, PurbaMedinipur - 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.
- 13.2.2** 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
- 13.2.3** The Company had in a previous year entered into an Arbitral Tribunal to adjudicate all disputes in terms of the arbitration clause contained in the Concession Agreement. The proceedings of the arbitration have been concluded with the consent order passed by the arbitrator on 29th March 2018.
- 13.2.4** During the current year, the arbitration proceeding with HDA has been concluded and the consent order has been passed by the Arbitrator on 29th March 2018. The consent order will entail the transfer of Capital Work in Progress (Water Treatment Plant) to the Haldia Development Authority (HDA), taking over of 90% of the principal amount of the State Bank Term Loan by HDA from the company and settlement of other receivables and payables with HDA. The consent order herein as below given has not been given effect in these financial statements pending agreement with the State Bank of India relating to consent award.

Particulars	Amount (Rupees)
A. Obligations payable by HWML to HDA as per the arbitration order	
License fees arrear	11,21,20,559
Outstanding electricity charges as on 31.03.2013	10,51,45,742
Additional revenue due to increase in water tariff	7,65,64,157
Outstanding rent of Jamshedpur Utilities and Services Company Ltd. and HWML	12,58,586
Outstanding remuneration of Independent engineers of the project upto March'13	42,40,840
Total Obligations payable by HWML (A)	29,93,29,884
B. Obligations payable by HDA to HWML as per the arbitration order	
Amount of Replacement and rehabilitation work carried out by HWML	2,02,80,578
Share for increase in power tariff	8,89,51,846
Amount outstanding on account of non-payment by consumers in respect of water bills raised.	4,69,46,278
Waive off license fees for new water treatment plant.	4,92,00,000
Total obligations payable by HDA (B)	20,53,78,702
C. Net Obligations payable by HWML (C=A-B)	9,39,51,182
D. HWML Liability taken over by HDA as per the arbitration order (Pending agreement with SBI)	

HALDIA WATER MANAGEMENT LIMITED

Notes Forming Part of the Financial Statements

90% of the term loan outstanding to SBI	44,66,66,122
Interest accrued on the said term loan	11,52,00,000
E. Total Liability taken over by HAD	56,18,66,122
F. Transfer of Capital work in progress (New Water treatment plant) impaired in earlier years (refer note no. 13.2.5 below)	

13.2.5 The management had in earlier years 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. 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 upon transition to Ind AS in the previous year and 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 CWIP on 1st April 2015, being the date of transition, had been disclosed accordingly at NIL Value.

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

The dues as defined in 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. The disclosures relating to Micro & Small Enterprises forming part of note 20(a) as at March 31, 2018 are as under:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Due in respect of Micro, Small and Medium Industries is :		
(a) Principal amount	NIL	NIL
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting period	NIL	NIL
(c) The amount of interest paid in terms of section 16, along with the amount of payment made to the supplier beyond the appointment date during the year (including interest)	NIL	NIL
(d) The amount of interest due and payable for the period of delay in making payment during the period	NIL	NIL
(e) Interest paid under the Act during the year	NIL	NIL

13.4 Auditors Remuneration

Particulars	For the year ended March 31, 2018 (Rupees)	For the year ended March 31, 2017 (Rupees)
As Auditors	53,100	1,15,000
For Other Services	11,800	97,750

HALDIA WATER MANAGEMENT LIMITED

Notes Forming Part of the Financial Statements

13.5 Related Parties disclosures

(a) List of Related parties and their relationship

- (i) Parent Company:
Tata Steel Limited – Ultimate Holding Company
Jamshedpur Utilities and Services Company Ltd. – Immediate Holding Company.
- (ii) Fellow Subsidiary:
Kalimati Global Shared Services Ltd.
- (iii) Associates:
Ranhill Utilities SdnBhd.
- (iv) Joint Ventures of Holding Company:
SEZ Adityapur Limited.
Naba Diganta Water Management Limited.
- (v) Key Managerial Personnel:
Mr. Rabindra Kumar Singh

(b) Transactions with Related Parties:

Particulars	For the year ended March 31, 2018 (Rupees)	For the year ended March 31, 2017 (Rupees)
Expense reimbursement to the Holding company	185,515	1,81,616
Interest on loan	NIL	1,91,00,001

(c) Outstanding Balance between the Company and related Party

Jamshedpur Utilities and Services Company Limited

Particulars	As at March 31, 2018 (Rupees)	As at March 31, 2017 (Rupees)
Loan repayable (ICD)	16,50,00,000	16,50,00,000
Outstanding amount payable	25,60,13,452	25,58,27,937

Ranhill Utilities SdnBhd

Particulars	As at March 31, 2018 (Rupees)	As at March 31, 2017 (Rupees)
Outstanding amount payable	4,82,99,423	4,82,99,423

13.6 Segment Information

The company was 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.

HALDIA WATER MANAGEMENT LIMITED

Notes Forming Part of the Financial Statements

13.7 Loss per Share

Particulars	For the year ended March 31, 2018 (Rupees)	For the year ended March 31, 2017 (Rupees)
Loss after Tax	(13,04,50,116)	(13,57,17,363)
Net Loss attributable to ordinary Shareholders	(13,04,50,116)	(13,57,17,363)
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 Loss per Ordinary Share	(4.70)	(4.89)

There are no potential dilutive equity shares.

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

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number - FRN304026E/E300009

For and on behalf of the Board of Directors

Avijit Mukerji
Membership No – 056155
Partner

Ashish Mathur
DIN – 03508443
Director

Indrajit Roy
DIN - 07521784
Director

Jamshedpur, April 16, 2018

Jamshedpur, April 16, 2018