

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.



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We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

Note 20 (O) to the financial statements which, describes the payment made towards loan installments falling due on a subsidiary company pursuant to an arrangement made by the Company with lender bank of the subsidiary. Such payments made by the Company are assessed as recoverable based on legal opinion received by the Company.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



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- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 20 (E) of the notes to Financial Statements for the year ended March 31, 2016.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund.

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 Registration No. 302009E)


Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)

Place: Jamshedpur
Date: 22 April, 2016



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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) 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 have audited the internal financial controls over financial reporting of **Jamshedpur Utilities and Services Company Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements 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. We conducted our audit 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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.


Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

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


Abhijit Bandyopadhyay
(Partner)

(Membership No. 054785)

Place: Jamshedpur
Date: 22 April, 2016



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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)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us, we report that immoveable properties of buildings amounting to Rs. 73,221,975/- have been constructed on land not owned by the Company. Based on the examination of the registered transfer deed/agreement provided to us, we report that, the title deeds/agreements, comprising all the immovable properties of land, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to one of its Subsidiary Company covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have not been regular as per stipulations
 - (c) In respect of the principal amount of Rs 165,000,000 and interest amount of Rs 9,959,687 for the period from 31 May, 2012 to 31 May, 2013, which has been overdue for more than 90 days, the Company considers the recoverability to be doubtful and accordingly has provided for the entire amount in the books as on March 31, 2016. According to the information and explanation given to us and based on examination of the relevant documents, the subsidiary Company has ceased to operate and has entered into a Arbitral Tribunal and all amounts due have been considered as doubtful of recovery.



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- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (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, 2016 for a period of more than six months from the date they became payable.



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- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Sales Tax	Tax Demand	Commissioner of Commercial Taxes	FY-2006-07	171,406	171,406
Sales Tax	Tax Demand	Commissioner of Commercial Taxes	FY 2007-08	17,245,028	17,144,748
Sales Tax	Tax Demand	Joint Commissioner (Appeal)	FY 2008-09	4,923,018	4,454,627
Sales Tax	Tax Demand	Commissioner of Commercial Taxes	FY 2008-09	5,022,812	4,018,242
Sales Tax	Tax Demand	Tribunal	FY 2008-09	5,473,909	4,638,609
Sales Tax	Tax Demand	Commissioner of Commercial Taxes	FY2009-10	7,806,169	7,806,169
Sales Tax	Tax Demand	High Court of AP & Telangana	2008-09 and 2009-10	10,926,967	10,926,967
Sales Tax	Tax Demand	JCCT (A), Mysore	FY2010-11	41,812,635	41,812,635
Sales Tax	Tax Demand	Assistant Commissioner Appeals	FY2010-11	1,768,001	1,768,001
Sales Tax	Tax Demand	Tribunal, Ranchi	FY2010-11	28,573,073	19,558,403
Sales Tax	Tax Demand	Deputy Commissioner of Commercial taxes	FY 2011-12	892,670	892,670
Sales Tax	Tax Demand	Yet to be filed	FY2009-10	9,607,086	9,607,086
Sales Tax	Tax Demand	Yet to be filed with Tribunal	FY 2011-12	3,156,330	1,743,735
Sales Tax	Tax Demand	Senior JCCT Appeals	FY 2012-13	18,864,693	16,364,580
Service Tax	Tax Demand	CESTAT	FY 2008-09 to 30 June 2012	385,425,728	372,574,055
Income Tax	Tax Demand	Commissioner Appeals	AY2011-12	124,321,702	124,321,702
Income Tax	Tax Demand	Dy. Commissioner	AY2012-13	112,690,285	112,690,285
ESIC	Contribution and Interest	High Court	FY 2004-05 to FY 2015-16	15,403,716	15,403,716



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- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not 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.



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- (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-I of the Reserve Bank of India Act, 1934.

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


Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)

Place: Jamshedpur
Date: 22 April, 2016




Balance Sheet as at 31 March 2016

	Note No.	As at 31 March 2016 Rupees in Lacs	As at 31 March 2015 Rupees in Lacs
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	2,035	2,035
(b) Reserves and surplus	3	4,724	1,099
		<u>6,759</u>	<u>3,134</u>
(2) Non-current liabilities			
(a) Long-term borrowings	4	1,600	2,400
(b) Other long-term liabilities	6	5,719	5,035
(c) Long-term provisions	5	5,118	3,553
		<u>12,437</u>	<u>10,988</u>
(3) Current liabilities			
(a) Short-term borrowings	4	1,817	1,650
(b) Trade payables	6	26,188	20,258
(c) Other current liabilities	6	8,119	11,606
(d) Short-term provisions	5	1,139	1,539
		<u>37,263</u>	<u>35,053</u>
TOTAL		<u><u>56,459</u></u>	<u><u>49,175</u></u>
(II) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	14,482	12,163
(ii) Intangible assets		82	94
(iii) Capital work-in-progress		291	3,307
		<u>14,855</u>	<u>15,564</u>
(b) Non-current investments	8	1,368	1,368
(c) Long-term loans and advances	9	5,256	4,526
(d) Other non-current assets	12	111	223
		<u>21,590</u>	<u>21,681</u>
(2) Current assets			
(a) Current investments	8	1,400	-
(a) Inventories	13	1,432	1,196
(b) Trade receivables	10	15,511	9,772
(c) Cash and bank balances	14	642	952
(d) Short-term loans and advances	9	7,513	6,574
(e) Other current assets	11	8,371	9,000
		<u>34,869</u>	<u>27,494</u>
TOTAL		<u><u>56,459</u></u>	<u><u>49,175</u></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


Indrajit Roy
Chief Financial Officer


Preeti Sehgal
Company Secretary

For and on behalf of the Board of Directors


Sandipan Chakravorty
Chairman


Ashish Mathur
Managing Director

Jamshedpur 22 April, 2016

Jamshedpur 22 April, 2016



JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED

Statement of Profit and Loss for the Year Ended 31 March, 2016

	Note No.	For the Year ended 31 March 2016 Rupees in Lacs	For the Year ended 31 March 2015 Rupees in Lacs
I. Revenue from operations	15	77,447	62,739
II. Other Income	16	175	149
III. TOTAL REVENUE (I+II)		77,622	62,888
IV. Expenses :			
(a) Employee benefits expense	17	18,090	12,722
(b) Finance costs	18	1,075	1,141
(c) Depreciation and amortisation expense			
Depreciation		1,304	1,128
Less : Transfer from Contribution for Capital Expenditure		(310)	(298)
(d) Other expenses	19	53,703	46,492
TOTAL EXPENSES		73,862	61,185
V. PROFIT BEFORE TAXES (III - IV)		3,760	1,703
VI. TAX EXPENSE			
(1) Current Tax expense		548	
(2) Deferred Tax			
TOTAL TAXES		548	-
VII. PROFIT AFTER TAXES (V-VI) FOR THE YEAR		3,212	1,703
Basic and Diluted Earnings per Share Rs..... (Refer note 20 (i)) (Face value of the Share Rs. 10/- each)		15.78	8.37
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



Indrajit Roy
Chief Financial Officer



Preeti Sehgal
Company Secretary



Sandipan Chakravorty
Chairman



Ashish Mathur
Managing Director

Jamshedpur 22 April, 2016



Jamshedpur 22 April, 2016

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Cash Flow Statement for the Year Ended 31 March 2016

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
	Rupees In Lacs	Rupees In Lacs
A) Cash Flow from Operating activities:		
Profit before taxes	3,760	1,703
Adjustments for:		
Depreciation	994	830
Provision for doubtful debts & advances	760	1,869
Net (Profit)/Loss on sale of fixed assets	(0)	24
Finance cost	1,075	1,141
Interest received	(51)	(65)
	2,778	3,799
Operating profit before working capital changes	6,538	5,502
Adjustments for:		
Trade receivables and Loans & Advances	(7,039)	(7,842)
Inventories	(236)	(163)
Trade payable and Other liabilities	4,096	3,037
	(3,179)	(4,968)
Cash generated from operations	3,359	534
Direct taxes paid (net of refund received)	944	812
	944	812
Net cash from/ (used) in operating activities (A)	2,415	(278)
B) Cash flow from Investing Activities:		
Capital expenditure on fixed assets including capital advance (net off government grant)	(587)	(1,164)
Proceeds from sale of fixed assets	-	24
Proceeds from sale/(Purchase) of current investments	(1,400)	-
Interest Received	51	65
Capital Contribution received	599	536
	(1,337)	(539)
Net cash from / (used in) Investing activities (B)	(1,337)	(539)
C) Cash flow from Financing Activities		
Finance cost	(955)	(1,041)
Secured loan	167	315
Term Loan	(600)	(800)
	(1,388)	(1,526)
Net cash generated/(used) from Financing activities (C)	(1,388)	(1,526)
Net Increase / (decrease) in Cash and Cash equivalents (A+B+C)	(310)	(2,343)
Cash and Cash equivalents at the beginning of the year	952	3,295
Cash & cash equivalents at the end of the year (Includes Rs 488 amount of Fixed Deposit : Previous year Rs 327)	642	952

Notes :

- Figures in brackets indicate outflows
 - Previous year figures have been recast/restated where necessary.
- See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Jamshedpur 22 April, 2016

For and on behalf of the Board of Directors

Indrajit Roy
Chief Financial Officer

Preeti Sehgal
Company Secretary

Sandipan Chakravorty
Chairman

Ashish Mathur
Managing Director

Jamshedpur 22 April, 2016



JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.1 Corporate Information

1.1.1 Jamshedpur Utilities & Services Company Limited (JUSCO), A TATA Enterprise, is India's first private sector comprehensive urban infrastructure service provider. Carved out of Tata Steel in 2004, it has the legacy of over ten decades of experience in providing these services - water, waste water, power distribution, municipal solid waste management and town planning - at Jamshedpur.

1.2 Significant Accounting Policies

1.2.1 Basis for Accounting and preparation of financial statements

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

1.2.2 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. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and difference between the actual results and estimates are recognized in the period in which the results are known / materialize.

1.2.3 Inventories

Stores and spare parts are carried at cost or net realizable value, whichever is lower and is valued at weighted average cost.

1.2.4 Cash and Cash equivalents (for purposes of Cash Flow Statement)

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

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

1.2.5 Depreciation / Amortisation

1. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residue value. Depreciation on Tangible Fixed Assets is provided on straight line basis at the rates specified in Schedule II to the Companies Act, 2013 except in respect of the assets of the power business division. Intangible Assets are amortized on straight line basis over the useful life or 5 years whichever is lower. For Tangible and Intangible Fixed Assets of power business depreciation is provided on straight line basis at the rates specified in Electricity Act, 2003.

2. Assets valued below Rs. 5,000/- (Rupees Five Thousand Only) and Mobile Phones are depreciated over a period 1 year from the date of capitalization.

1.2.6 Revenue recognition

Income from Services

Income from Service is recognized on accrual basis on rendering of the services and excludes service tax.

Revenue from Construction Contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

Sale of goods

Sales are recognised on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.



1.2.7 Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss (if any). Cost of acquisition includes interest on borrowings attributable to the acquisition of qualifying fixed assets upto the date the asset is put to use, duties (net of cenvat), taxes and other incidental expenses. Intangible assets are stated at cost less accumulated amortization. Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising of direct cost and other related incidental expenses.

1.2.8 Contribution from consumers

Contribution received from consumers towards installation of assets pertaining to distribution of power and water, are credited to capital reserve on capitalization of related assets. An amount in proportion to the depreciation charge for the year on such assets is transferred to the statement of profit and loss.

1.2.9 Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

1.2.10 Investments

Long-term investments are carried individually at cost less provision for diminution other than temporary in value of such investments. Current investments are carried at lower of cost and fair value.

1.2.11 Employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. Short-term Employee Benefits are recognised as an expense in the statement of profit and loss of the year in which the related service is rendered.

Defined Contribution Plan

Company's contributions towards Provident Fund and Superannuation Fund are considered as defined contribution plans and are charged to the Statement of Profit and Loss for the year on accrual basis.

Defined Benefit Plan

Company's liability towards gratuity, long term compensated absences and others long term benefits are determined by independent actuaries, using the Projected Unit Credit Method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

1.2.12 Borrowing Costs

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

1.2.13 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

1.2.14 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.



1.2.15 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.2.16 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

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

'Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

1.2.17 Impairment of Assets

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

1.2.18 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

1.2.19 Operating cycle

Operating cycle for business activities of the Company cover the duration of specific project/contract including the defect liability period and extends upto the realization of receivable (including retention monies) within the agreed credit period normally applicable to the respective line of business.



JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Notes Forming Part of Financial Statement

	As at March 31, 2016 Rupees in Lacs	As at March 31, 2015 Rupees in Lacs																								
Note 2 : SHARE CAPITAL																										
Authorised :																										
21,000,000 Equity Shares of Rs. 10 each (Previous year : 21,000,000 Equity Shares of Rs.10 each)	2,100	2,100																								
Issued , Subscribed and Fully Paid up :																										
20,350,000 Equity Shares of Rs 10 each (Previous year 20,350,000 Equity Shares of Rs 10 each)	2,035	2,035																								
	<u>2,035</u>	<u>2,035</u>																								
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:																										
	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">As at March 31, 2016</th> <th colspan="2">As at March 31, 2015</th> </tr> <tr> <th>Number</th> <th>Amount</th> <th>Number</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Shares outstanding at the beginning of the year</td> <td style="text-align: right;">203.50</td> <td style="text-align: right;">2,035</td> <td style="text-align: right;">203.50</td> <td style="text-align: right;">2,035</td> </tr> <tr> <td>Shares Issued during the year</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Shares outstanding at the end of the year</td> <td style="text-align: right;">203.50</td> <td style="text-align: right;">2,035</td> <td style="text-align: right;">203.50</td> <td style="text-align: right;">2,035</td> </tr> </tbody> </table>		Particulars	As at March 31, 2016		As at March 31, 2015		Number	Amount	Number	Amount	Shares outstanding at the beginning of the year	203.50	2,035	203.50	2,035	Shares Issued during the year	-	-	-	-	Shares outstanding at the end of the year	203.50	2,035	203.50	2,035
Particulars	As at March 31, 2016			As at March 31, 2015																						
	Number	Amount	Number	Amount																						
Shares outstanding at the beginning of the year	203.50	2,035	203.50	2,035																						
Shares Issued during the year	-	-	-	-																						
Shares outstanding at the end of the year	203.50	2,035	203.50	2,035																						
(b) Of the above 20,349,940 Equity Shares (Previous year : 20,349,940 Equity Shares) are held by Tata Steel Limited, the holding Company.																										

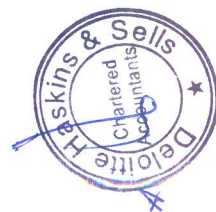
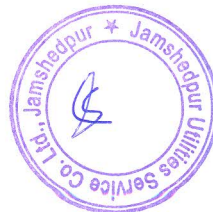
	As at March 31, 2016 Rupees in Lacs	As at March 31, 2015 Rupees in Lacs
Note 3 : RESERVES AND SURPLUS		
(a) Other Reserves:		
(i) Contribution for Capital expenditure :		
Opening Balance	5,120	5,000
Add : Amount credited during the year on capitalization of fixed assets	723	418
	5,843	5,418
Less : Transfer to Profit and Loss Account	310	298
Closing Balance	5,533	5,120
(b) Surplus/ (Deficit) in statement of Profit and Loss		
Opening Balance	(4,021)	(5,671)
Adjustment for depreciation (refer note 7)	-	(53)
Add : Profit for the year	3,212	1,703
Closing Balance	(809)	(4,021)
	<u>4,724</u>	<u>1,099</u>



Note 4 : BORROWINGS	As At March 31, 2016 (Rupees in Lacs)		As At March 31, 2015 (Rupees in Lacs)	
	Long Term	Short Term	Long Term	Short Term
(a) From Bank				
Term Loan	1,600	-	2,400	-
(Secured by hypothecation of Fixed Assets)		1,600		2,400
Repayable on Demand	-	667	-	500
(Secured by pari-passu charge on Debtors and Inventory)		667		500
(b) Unsecured Loan and Advances from related parties				
ICD From Holding Co	-	1,150	-	1,150
	1,600	1,817	2,400	1,650
				4,050
Notes				
(i) Repayment schedule of Term Loan	Term Loan as on 31.03.2016		Term Loan as on 31.03.2015	
Between 1-2 years	800	Interest rate	800	Interest rate
Between 2-3 years	800	SBI base rate + 4%	800	SBI base rate + 4%
Between 3-4 years	-	SBI base rate + 4%	800	SBI base rate + 4%
(ii) The unsecured ICD has been obtained from the holding company and the applicable rate of interest is 12.5% previous period 10.5%				
(iii) For the current maturities of long term borrowings refer item (a) in other liability in Note 6				

Note 5 - PROVISIONS	As At March 31, 2016 (Rupees in Lacs)		As At March 31, 2015 (Rupees in Lacs)	
	Long Term	Short Term	Long Term	Short Term
(a) Provision for employee benefits				
(i) Retirement Benefits	3,920	124	3,320	263
(ii) Retiring Gratuity (Refer note 20(L)(3a))	1,198	-	233	-
(b) Others				
(i) Provision for Tax	-	-	-	-
(ii) Provision for Wealth tax	-	-	-	-
(iii) Provision for Performance guarantee	-	133	-	136
(iv) Provision for estimated loss on contracts	-	433	-	662
(v) Provisions for Liquidated Damages	-	449	-	478
	5,118	1,139	3,553	1,539
				5,092

Note 6 - TRADE PAYABLES AND OTHER LIABILITIES	As At March 31, 2016 (Rupees in Lacs)		As At March 31, 2015 (Rupees in Lacs)	
	Non-current	Current	Non-current	Current
A. Trade Payables				
(a) Dues to Micro, Small & Medium Enterprises (refer note 20 (B))	-	303	-	252
(b) Creditors for supplies/Services	-	19,426	-	17,674
(c) Creditors for accrued wages and salaries	-	6,459	-	2,332
		26,188		20,258
B. Other Liabilities				
(a) Current Maturities of Secured Long-term debt	-	600	-	400
(b) Interest Accrued but not due on borrowings	-	414	-	294
(c) Advance received from Customers	-	4,345	-	5,308
(d) Security and other Deposits	5,719	386	5,035	377
(e) Contribution for capital expenditure	-	342	-	466
(f) Creditors for purchase of fixed assets	-	231	-	281
(g) Other Payables	-	1,801	-	4,480
	5,719	8,119	5,035	11,606
				16,641
Total (A+B)	5,719	34,307	5,035	31,864
		40,026		36,899



JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED

Notes Forming Part of Financial Statement

Note - 7 Fixed Assets

Particulars	Gross Block			Accumulated Depreciation				Net block as at		
	As at April 1, 2015	Additions during the year	Disposal/ Adjustment	As at March 31, 2016	As at April 1, 2015	Depreciation / Amortisation for the year	*Transition adjusting in Opening balance of Profit and Loss	Depreciation on assets disposed / adjusted	As at March 31, 2016	March 31, 2016
	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs
Tangible Assets										
Land	24 (24)	-	-	24 (24)	-	-	-	-	-	24 (24)
Buildings	650 (650)	83	-	733 (650)	108 (82)	26 (26)	-	-	134 (108)	599 (542)
Plant and Equipment **	17,360 (16,260)	3,457 (1,169)	1 (69)	20,816 (17,360)	5,924 (4,850)	1,217 (1,043)	-	1 (22)	7,140 (5,924)	13,676 (11,436)
Furniture & Fixtures	289 (267)	44 (24)	- (2)	333 (289)	215 (205)	13 (11)	-	-	228 (215)	105 (74)
Vehicles	81 (76)	- (5)	- (5)	81 (81)	61 (57)	4 (4)	-	-	65 (61)	16 (20)
Office Equipments	126 (119)	10 (7)	-	136 (126)	59 (45)	15 (14)	-	-	74 (59)	62 (67)
Total Tangible Assets	18,530 (17,396)	3,594 (1,205)	1 (71)	22,123 (18,530)	6,367 (5,239)	1,275 (1,098)	- (53)	1 (23)	7,641 (6,367)	14,482 (12,163)
Intangible Assets										
Licenses	143 (139)	3 (4)	-	146 (143)	95 (80)	13 (15)	-	-	108 (95)	38 (48)
Software	162 (153)	14 (9)	-	176 (162)	116 (101)	16 (15)	-	-	132 (116)	44 (46)
Total Intangible Assets	305 (292)	17 (13)	-	322 (305)	211 (181)	29 (30)	-	-	240 (211)	82 (94)
TOTAL	18,835 (17,688)	3,611 (1,218)	1 (71)	22,445 (18,835)	6,578 (5,420)	1,304 (1,128)	- (53)	1 (23)	7,881 (6,578)	14,564 (12,257)
Previous Year										

Previous Year figures in Italics and in brackets

* Depreciation on transition to Schedule II of Companies Act, 2013 on tangible fixed assets with nil remaining useful life.

** Additions during the year is net off government grant received amounting to Rs. 200 Lacs. (Previous year Rs. Nil)



JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Notes Forming Part of Financial Statement

Note 8 - Investments

Current Investments

Trade Investments (at cost less provision for diminution in value)

Particulars	As at April 1, 2015		Purchased during the year		Sold during the year		As at March 31, 2016	
	No. of Units	Rupees in Lacs	No. of Units	Rupees in Lacs	No. of Units	Rupees in Lacs	No. of Units	Rupees in Lacs
Unquoted :								
TATA Mutual Fund	-	-	124786.993	2,913	106746.180	2,488	18040.813	425
Reliance Liquid Fund - Treasury	-	-	63362.362	2,188	54531.631	1,863	8830.731	325
HDFC Liquid Fund - Growth	-	-	1048823.682	1,163	1048823.682	1,163	-	-
Birla Sun Life Cash Plus	-	-	749927.823	1,788	615858.718	1,463	134069.105	325
SBI Premier Liquid Fund - Regular Plan	-	-	87914.102	2,050	87914.102	2,050	-	-
UTI Liquid Cash Plan - Institutional	-	-	71792.080	1,750	58648.957	1,425	13143.123	325
Aggregate amount of unquoted investments	-	-	2146607.042	11,852	1972523.270	10,452	174083.772	1,400

Non - Current Investments

Investments (at cost less provision for diminution in value)

Particulars	As at April 1, 2015		Subscribed during the year		As at March 31, 2016	
	No. of Equity Shares of face value of Rs.10 each fully paid-up	Rupees in Lacs	No. of Equity Shares of face value of Rs.10 each fully paid-up	Rupees in Lacs	No. of Equity Shares of face value of Rs.10 each fully paid-up	Rupees in Lacs
Equity Shares of Subsidiary Companies (Unquoted):-						
SEZ Adityapur Limited	25,497	3	-	-	25,497	3
Naba Diganta Water Management Limited	13,653,000	1,365	-	-	13,653,000	1,365
Haldia Water Management Limited (Net of provision for diminution in value Rs. 16,66,42,100, Current Year Rs. Nil, Previous year Rs. Nil)	16,664,210	-	-	-	16,664,210	-
Aggregate amount of unquoted investments	30,342,707	1,368	-	-	30,342,707	1,368



	As At March 31, 2016 (Rupees in Lacs)		As At March 31, 2015 (Rupees in Lacs)	
	Long Term	Short Term	Long Term	Short Term
Note 9 - LOANS AND ADVANCES				
(a) Capital advances	10	-	18	-
(b) Security deposits	-	255	243	12
(c) Loans and advances to related parties	-	2,023	-	2,004
(d) Advance with public bodies	1,732	530	1,568	526
(e) Advance income tax (net of provision)	2,826	-	2,430	-
(f) Loans to Officers	-	-	1	-
(g) Other loans and advances	3,615	6,843	2,554	6,070
Gross Loans and advances	8,183	9,651	6,814	8,612
Less: Provision for doubtful loans & advances				
(i) Loans and advances to related parties	-	2,023	-	1,999
(ii) Other loans and advances	2,927	115	2,288	39
Total provision for doubtful loans & advances	2,927	2,138	2,288	2,038
Total Loans and advances	5,256	7,513	4,526	6,574
Classification of loans and advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	5,256	7,513	4,526	6,574
Doubtful	2,927	2,138	2,288	2,038
Gross Loans and advances	8,183	9,651	6,814	8,612

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As At March 31, 2016 (Rupees in Lacs)		As At March 31, 2015 (Rupees in Lacs)	
	Non-current	Current	Non-current	Current
Note 10 TRADE AND OTHER RECEIVABLES				
A. Trade Receivables				
(i) More than six months	-	5,112	-	3,283
(ii) Other Trade Receivables	-	13,338	-	9,407
Gross Trade Receivables	-	18,450	-	12,690
Less: Provision for bad and doubtful debts on				
(i) More than six months	-	2,939	-	2,858
(ii) Other Trade Receivables	-	-	-	60
Net Trade Receivables	-	15,511	-	9,772
Classification of Trade Receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	15,511	-	9,772
Doubtful	-	2,939	-	2,918
Total Trade Receivables	-	18,450	-	12,690



JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Notes Forming Part of Financial Statement

	As at March 31, 2016 Rupees in Lacs	As at March 31, 2015 Rupees in Lacs
Note 11 Other Current Assets		
Other current assets		
Unbilled revenue	8,371	9,000
Total Other current assets	<u>8,371</u>	<u>9,000</u>

	As at March 31, 2016 Rupees in Lacs	As at March 31, 2015 Rupees in Lacs
Note 12 Other Non-Current Assets		
Fixed deposit with Bank - Maturity beyond 12 months (Pledged against Bank Guarantees)	111	223
Other Non-Current Assets	<u>111</u>	<u>223</u>

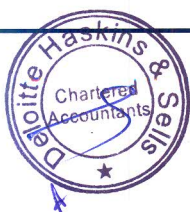
	As at March 31, 2016 Rupees in Lacs	As at March 31, 2015 Rupees in Lacs
Note 13 INVENTORIES		
Stores & Project materials (at lower of cost and net realisable value)	1,432	1,196
	<u>1,432</u>	<u>1,196</u>

	As at March 31, 2016 Rupees in Lacs	As at March 31, 2015 Rupees in Lacs
Note 14 CASH AND BANK BALANCES		
(a) Cash on hand	4	5
(b) Cheques, drafts on hand	77	18
(c) Balances with Banks		
(i) In current account	73	602
(ii) Fixed deposit with Bank - Maturity < 3 months	15	41
(ii) Fixed deposit with Bank - Maturity in 12 months (Rs. 488 Lacs pledged against Bank Guarantees Previous Year Rs. 327 Lacs)	473	286
	<u>642</u>	<u>952</u>



JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Notes Forming Part of Financial Statement

	April - March 16	April - March 15
	Rupees in Lacs	Rupees in Lacs
Note 15 : REVENUE FROM OPERATION :		
a) Service Income	31,741	28,776
(Net of service tax of Rs. 2006.21 Lacs Previous period: Rs. 2978.25 Lacs)		
b) Income From Construction Activities	18,275	18,156
c) Sale of Power	27,357	15,621
d) Sale of Product	75	190
Gross Revenue from Operations	77,448	62,743
Less: Excise duty recovered on sales	1	4
Total Revenue from Operations	77,447	62,739
Note 16 : OTHER INCOME :		
a) Interest on Fixed Deposits & others (Gross ; including tax deducted at source Rs. 5.48 Lacs; Previous period Rs 4.99 Lacs)	51	65
b) Liability no longer required written back	45	26
c) Miscellaneous Income	79	58
	175	149
Note 17 : EMPLOYEE BENEFIT EXPENSE :		
(a) Salaries and wages	15,520	10,760
(b) Contribution to provident and other funds	2,170	1,694
(c) Staff welfare expenses	400	268
	18,090	12,722
Note 18 : FINANCE COST :		
Interest expense on		
(i) Fixed Loans	356	471
(ii) Others	719	670
Total finance costs	1,075	1,141
Note 19 : OTHER EXPENSES :		
Cost of services	16,321	18,686
Consumption of stores and Project materials	10,188	11,773
Repairs to machinery	169	213
Purchase of power	23,980	12,861
Rent	92	77
Rates and taxes	833	973
Insurance charges	41	43
Provision for doubtful debts and advances	759	1,869
Legal & Professional Fees	287	192
Travelling and Conveyance Expenses	221	268
Advertisement & Promotional Expenses	20	16
Provision for Liquidated Damages	(29)	(1,058)
Miscellaneous expenses	821	579
	53,703	46,492



JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
NOTE 20: ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

- (A) Information relating to Construction Contracts as per Accounting Standard 7 notified by the Companies (Accounting Standards) Rules, 2006 in respect of contracts entered on or after 01.04.2003 and in progress as at year end, is given below :

	April 1, 2015 to March 31, 2016 (Rupees in Lacs)	April 1, 2014 to March 31, 2015 (Rupees in Lacs)
Contract revenue recognised as revenue during the period	18,275	18,156
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) as on 31 March 2016	98,881	90,573
Advance payments received (Un-adjusted) for contract in progress	3,023	2,579
Retention amount for contract in progress	2,907	2,191
Gross amount due from customers for contract work (net)	3,290	5,087

- (B) 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 6(A) as at March 31, 2016 are as under:

	April 1, 2015 to March 31, 2016 (Rupees in Lacs)	April 1, 2014 to March 31, 2015 (Rupees in Lacs)
Due in respect of Micro, Small and Medium Industries is :		
(a) Principal amount	303	252
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting period	2	1
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year (excluding interest)	1,241	1,460
(d) The amount of interest due and payable for the period of delay in making payment during the period	27	10
(e) Interest paid under the Act during the year	Nil	Nil

- (C) No deferred tax assets has been recognised in the current year considering the past accumulated losses and absence of virtual certainty.

	April 1, 2015 to March 31, 2016 (Rupees in Lacs)	April 1, 2014 to March 31, 2015 (Rupees in Lacs)
(D) Expenditure in foreign currency		
(i) Professional and consultation fee	Nil	Nil
(ii) Others	15	93
	15	93

- (E) Contingent Liabilities and commitments

(a) Claims not acknowledged by the Company

	As at March 31, 2016 (Rupees in Lacs)	As at March 31, 2015 (Rupees in Lacs)
(i) Sales Tax, VAT & Service Tax	-	4,890
(ii) Labour Related	154	142
(iii) Legal cases	163	345
(iv) Income Tax	-	2,370

The Company has given guarantees aggregating Rs. 146.71/- Lacs (31.03.2015 Rs. 298.44/- Lacs) on behalf of others. As at 31 March, 2016, the contingent liabilities under this guarantee amounts to Rs. 146.71/- Lacs (31.03.2015 Rs. 298.44/- Lacs).

- (b) In respect of a significant service tax litigation, the company had in a previous year filed an appeal with CESTAT Kolkata challenging an order of Commissioner Central Excise and Service Tax Jamshedpur, where an amount of Rs 19 crores on services rendered to Government projects along with an equivalent amount of penalty, was demanded. While arguing on the merits of the case, the company had put forth the argument that it had adequately informed the authorities regarding its intention to not to charge any service tax while rendering any service to Government. As there was no suppression of facts or fraud etc, the demand of service tax covering the period from April 1, 2008 up to March 31, 2012, is barred by limitation to the extent of Rs. 14 crores and accordingly penalty of Rs 19 crores is also not liveable. At the same time since the services rendered to Government for the projects were non-commercial in nature, levy of any service tax does not arise. Thus the entire demand is liable to be quashed and the same has been confirmed by the dealing counsel in his opinion. Based on such opinion received, the management evaluated the merit of the case and consider the likelihood of any liability devolving on the company to be remote.

- (F) Estimated amount of contract remaining to be executed on capital account and not provided for: Rs.77 Lacs (Previous period Rs. 68 Lacs).



	April 1, 2015 to March 31, 2016 (Rupees in Lacs)	April 1, 2014 to March 31, 2015 (Rupees in Lacs)
(G) Miscellaneous Expenses includes :		
(a) Auditors remuneration (excluding applicable service taxes)		
(i) For services as statutory auditors	11	11
(ii) For Tax Audit	2	2
(iii) For other services	2	2
(b) Cost Auditors remuneration (excluding applicable service taxes)	1	1
(H) The value of consumption of imported and indigenously obtained stores and spare parts		
	April 1, 2015 to March 31, 2016 (Rupees in Lacs)	April 1, 2014 to March 31, 2015 (Rupees in Lacs)
(i) Indigenously obtained	10,178	11,689
(ii) Directly imported	10	85
(I) Earnings per Share (EPS)		
	April 1, 2015 to March 31, 2016 (Rupees in lacs)	April 1, 2014 to March 31, 2015 (Rupees in lacs)
(i) Profit/(Loss) for the year	3,212	1,703
(ii) Profit/(Loss) attributable to ordinary Shareholders	3,212	1,703
(iii) Weighted average number. of Ordinary Shares for Basic /Diluted EPS	203.50	203.50
(iv) Nominal value of Ordinary Shares	10.00	10.00
(v) Basic / Diluted Earnings per Ordinary Share	15.78	8.37

(J) Related Party Disclosures

(a) List of related Parties and relationships :

Party	Relationship
Tata Steel Limited	Holding Company
Adityapur Toll Bridge Company Limited	Fellow Subsidiaries
The Indian Steel and Wire Products Limited	
Tata Metaliks DI Pipes Limited	
Tata Sponge Iron Limited	
Tayo Rolls Limited	
Tata Pigments Limited	
Tinplate Company of India Limited	
Jamshedpur Continuous Annealing and Processing Company	
Tata Steel Processing Distribution Limited	
Tata Blue Scope Steel limited	Holding Company joint venture
MJunction Services Limited	Holding Company joint venture
Haldia Water Management Limited	Subsidiary
Nabadiganta Water Management Ltd.	Subsidiary
SEZ Adityapur Limited	Subsidiary
Mr. Ashish Mathur	Key Managerial Personnel



(b) Related Party Transactions_ Standalone

Rs. In Lacs

Transactions	Holding Company	Fellow Subsidiaries	Joint Venture of Holding Company	Subsidiaries	Key Managerial Personnel
Purchase of Power	18,633 (10,791)	- -	- -	- -	- -
Purchase of goods	611 (371)	84 (353)	45 -	- -	- -
Sale of goods (Power)	606 (591)	1,617 (1,539)	- -	- -	- -
Sale of goods	- -	- -	- -	- -	- -
Rendering of services	45,754 (45,093)	510 (697)	2 (1)	- (9)	- -
Receiving of Services	461 (347)	1 -	25 (0)	- -	- -
Interest Paid during the period	144 (121)	6 (6)	- -	- -	- -
Interest Received during the year	- -	- -	- -	- -	- -
Expenses incurred	- -	- -	- -	18 (28)	- -
Rent Expenses	- -	- -	- -	2 (2)	- -
Unsecured advances/ deposits given	- -	- -	- -	- -	- -
Unsecured advances/ deposits accepted	294 (2,305)	10 (4)	- -	- -	- -
Finance received	- -	- -	- -	- -	- -
Finance Given(including Loans & Equity contribution)	- -	- -	- -	- -	- -
Guarantee given during the period.	- -	- -	- -	- -	- -
Amounts receivable as at 31st Mar'16	14,902 (11,504)	477 (357)	1 (1)	1,687 (1,637)	- -
Provision for O/S receivable as on 31st Mar'16	- -	- -	- -	- -	- -
Guarantee outstanding as at 31st Mar'16	- -	- -	- -	147 (298)	- -
Intercompany Loans Receivables as at 31st Mar'16	- -	- -	- -	1,650 (1,650)	- -
Loans/Advances as on 31st Mar'16	- (0)	- -	2 (2)	373 (354)	- -
Amount payable as at 31st Mar '16	2,136 (973)	55 (36)	39 (2)	- (2)	- -
Intercompany Loans Payables as at 31st Mar '16	1,533 (1,403)	- -	- -	- -	- -
Advance outstanding (Payable) 31st Mar '16	3,337 (4,140)	87 (80)	- -	- -	- -
Provision for O/S(Payable) 31st Mar '16	1,607 (2,274)	- (2)	- -	- -	- -
Remuneration paid	- -	- -	- -	- -	81 (94)

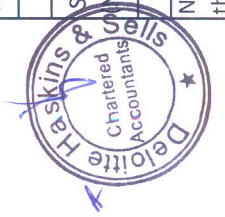
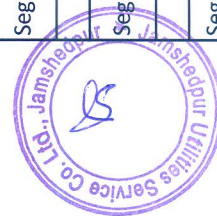


(K) Information about Business segments

Rs. Lacs

Business Segments

Particulars	Service	Power	Construction	Un-allocated	Total
Total Revenue	31,815 28,962	27,357 15,621	18,275 18,156		77,447 62,739
Segment Results before finance cost and taxes.	3,776 4,057	1,492 1,180	2,572 1,110		7,840 6,347
Unallocated Corporate Expenses (net off other Income)				3,055 3,568	3,055 3,568
Finance Costs (net)		435 425		590 651	1,025 1,076
Profit before taxes					3,760 1,703
Taxes					548 -
Profit after taxes					3,212 1,703
Segment assets	16,482 13,113	16,541 14,121	13,715 13,230	8,352 7,342	55,090 47,806
Segment Liabilities	14,953 17,423	17,964 12,351	9,815 9,766	2,951 2,051	45,683 41,591
Segment assets capitalized during the period.	160 123	3,377 1,073	74 22		3,611 1,218
Segment depreciation	80	654	218	42	994
Net of transfer from capital reserve)	143	478	156	53	830
Non-cash expenses other than depreciation	- -	- -	(164) 105	542 746	378 851



Notes :

(i) The Company has disclosed business segment as the primary segment . There is no significant difference in the business conditions prevailing in various states in India, where the company has its operations. There are no sales made by the company to external customers outside India. Consequently there is no need for separate disclosure for geographical segment as required under Accounting Standard-17 "Segment Reporting" notified by the Central Government under Companies (Accounting Standards) Rules , 2006

(ii) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. Assets and Liabilities that can not be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

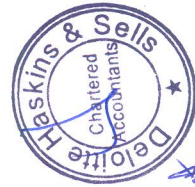
(iii) Total un-allocable assets exclude :

	As at March 31, 2016	As at March 31, 2015
	Rupees in Lacs	Rupees in Lacs
Investments	1,368	1,368
Deferred Tax assets	-	-
Total	1,368	1,368

(iv) Total un-allocable liabilities exclude :

Secured loan (cash credit and Term Loan)	2,867	3,300
Unsecured Loan	1,150	1,150
Total	4,017	4,450

(v) Previous year figures are in italics



(L) Disclosure as required under Accounting Standard (AS) 15 – Revised

1. The company has recognized, in the profit and loss account an amount of Rs 967.11 Lacs (Previous Year : Rs 962.73 Lacs) expenses under defined contribution plans during the year ended 31st March 2016.

Benefit (Contribution to)	Rs. In Lacs 2015-2016	Rs. In Lacs 2014-2015
Provident Fund	588	591
Superannuation Fund	109	147
Employees Pension Scheme	195	151
TISCO employees Pension Scheme	75	73
Total	967	963

The company deposits above contributions to respective funds of Tata Steel Limited. The Provident Fund of Tata Steel is exempted under section 17 of Employees Provident Fund Act 1952.

2. The Company operates post retirement defined benefit plans as follows:
- Funded :- Post Retirement Gratuity
 - Unfunded
 - Farewell Gifts
 - Packing and Transportation expenses

3. (a) Details of the funded post retirement plan are as follows:

Gratuity plan Description	Rs. In Lacs 2015-2016	Rs. In lacs 2014-2015
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at the beginning of the year	4,840	4,134
b. Current Service Cost	362	244
c. Interest Cost	357	359
d. Actuarial (gain)/loss	967	599
e. Benefits paid	(470)	(496)
f. Obligation as at end of the year	6,055	4,840
2. Change in Plan Assets (Reconciliation of opening & closing balances)		
a. Fair Value of plan assets as at beginning of the year	4,607	3,696
b. Expected return on plan assets	359	313
c. Actuarial gain/(loss)	128	155
d. Contributions	233	938
e. Benefits paid	(470)	(496)
f. Fair Value of plan assets as at end of the year	4,857	4,607
Gratuity Plan Description	Rs. In Lacs 2015-2016	Rs. In lacs 2014-2015
3. Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets as at end of the year	4,857	4,607
b. Present value of obligation as at end of the year	6,055	4,840
c. Amount recognized in the balance sheet	(1,198)	(233)
4. Expense recognized in the period		
a. Current service cost	362	244
b. Interest cost	357	359
c. Expected return on plan assets	(359)	(313)
d. Actuarial (gain)/loss	839	443
e. Expense recognized during the year	1,198	733
The expense is disclosed in Note-17 in the line item - Co's contribution to provident & other funds		



5. Investment Details	%age invested	
	31.03.2016	31.03.2015
a. GOI Securities	9.19	11.43
b. Public Sector unit Bonds	5.49	8.62
c. State / Central Guaranteed Securities	7.57	9.38
d. Special Deposit Schemes		
e. Private Sector Bonds	7.22	10.12
f. Others (including bank balances)	4.10	0.63
g. L.I.C.I	66.43	59.82
	100.00	100.00
6. Assumption	31.03.2016	31.03.2015
a. Discount rate (per annum)	7.75%	7.75%
b. Estimated rate of return on plan assets (per annum)	8.00%	8.00%
c. Rate of escalation in salary (per annum)		
Non-Officers	7.50%	7.50%
Officers	10.00%	10.00%

7. Experience History	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
a. Defined Benefit Obligation at end of the period	(6,055)	(4,840)	(4,134)	(3,662)	(2,932)
b. Plan Assets at end of the period	4,857	4,607	3,696	2,828	2,237
c. Funded Status	(1,198)	(233)	(438)	(834)	(696)
d. Experience Gain/(Loss) adjustments on Plan liabilities	(967)	(133)	(587)	(448)	(542)
e. Experience Gain/(Loss) adjustments on Plan Assets	128	155	80		(16)

8. Expected adjustments (best estimate) to funded plan	31.03.2016	31.03.2015
Expected adjustment	1,198	233

(b) Detail of unfunded post retirement defined benefit :-

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
1. Reconciliation of opening and closing balances of obligation					
a. Obligation as at the beginning of the year	143	114			
b. Current Service Cost	14	10			
c. Interest Cost	11	10			
d. Actuarial (gain)/loss	(0)	12			
e. Benefits paid	(2)	(4)			
f. Obligation as at end of the year	165	143			
2. Expense recognized in the period					
a. Current service cost	14	10			
b. Interest cost	11	10			
c. Actuarial (gain)/loss	(0)	12			
d. Expense recognized during the year	25	33			
3. Experience History	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
a. Defined Benefit Obligation at end of the period	(165)	(143)	(114)	(123)	(113)
b. Plan Assets at end of the period	-	-	-	-	-
c. Funded Status	(165)	(143)	(114)	(123)	(113)
d. Experience Gain/(Loss) adjustments on Plan liabilities	0	7	14	13	(9)
e. Experience Gain/(Loss) adjustments on Plan Assets	-	-	-	-	-



(M) In accordance with accounting policy of the Company, provisions have been made for estimated future warranty costs to be incurred towards ongoing and completed construction contracts. Details of such provisions are as follows:

	As at March 31, 2016 (Rupees in lacs)	As at March 31, 2015 (Rupees in lacs)
1. Provisions as at 1st April, 2015	136	153
2. Provisions made during the year	(3)	(17)
3. Provisions utilised during the year	-	-
4. Provisions as at 31 March, 2016	133	136

(N) The Company has entered into operating lease arrangements for hiring of the equipment. The lease is for a period of 4 years and may be renewed for a further period based on mutual agreement of the parties.

Future minimum lease payments

	As at March 31, 2016 (Rupees in lacs)	As at March 31, 2015 (Rupees in lacs)
(a) Not later than 1 year	7	7
(b) Later than 1 year but not later than 5 years	13	20
(c) Later than 5 years	-	-

Operating lease Charges

	Apr-March 2016 (Rupees in lacs)	Apr-March 2015 (Rupees in lacs)
(d) Lease payments recognised in the profit & loss account	7	1

(O) One of the subsidiary company could not meet the debt service obligation arising during the year in respect of it's bank loan. The subsidiary company had entered into a Concession agreement with a Government agency which has become frustrated and for which a notice of arbitration has been served.

Pursuant to an agreement entered into with the lender bank of the subsidiary company, Jamshedpur Utilities and Services Company Limited ("the company") has paid Rs 1059 Lacs towards loan installments including interest obligation falling due on the subsidiary during the year (previous year Rs 1259 Lacs). As per the agreement with the bank, the portion representing principal amount be kept in a separate deposit account adjusable against any shortfall of final recovery from the subsidiary company at the end of 4 years.

Based on legal opinion and the terms of agreement with the bank, an amount of Rs 1620 Lacs has been assessed as recoverable and carried as a long term advance in the books.

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

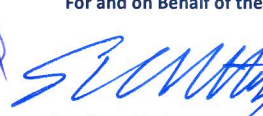
Signatories to Notes 1 to 20,

Notes to Accounts and Accounting Policies

For and on Behalf of the Board of Directors


Indrajit Roy
Chief Financial Officer


Preeti Sehgal
Company Secretary


Sandipan Chakravorty
Chairman


Ashish Mathur
Managing Director

Jamshedpur 22 April, 2016

