

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

31. DEFERRED TAXATION

Deferred Tax Assets, Liabilities and Income Tax relates to the followings

	Balance Sheet		Income Statement	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Liability				
Capital Allowances	8,129,594,181	6,704,854,243	1,424,739,938	205,017,196
Intangible assets	14,829,925	28,567,247	(13,737,322)	(14,283,624)
Effect of rate change	-	-	-	-
	<u>8,144,424,106</u>	<u>6,733,421,490</u>	<u>1,411,002,615</u>	<u>190,733,572</u>
Deferred Tax Assets				
Defined Benefit Plans	-	-	-	28,192,630
Debtors Impairment	278,911,735	189,186,739	89,724,996	-
Revaluation Deficit	-	-	-	217,514,121
Effect of rate change	-	-	-	-
	<u>278,911,735</u>	<u>189,186,739</u>		
Deferred income tax charge/(reversal)			<u>1,500,727,612</u>	<u>436,440,323</u>
Net Deferred Tax Liability/ (Asset)	<u>7,865,512,371</u>	<u>6,544,234,751</u>		

Note:

The existence of unused tax losses is a strong evidence that future taxable profit may not be available. NWSDB has a cumulative tax loss of Rs.58,107,763,338 as at 31/12/2014. Therefore paying Income Tax by NWSDB is very unlikely, resulting in not recognising a net deferred tax asset /liability.