

# National Water Supply And Drainage Board

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 32. DEFERRED TAXATION

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

	Balance Sheet		Income Statement	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
<b>Deferred Tax Liability</b>				
Capital Allowances	6,704,854,243	6,499,837,047	205,017,196	5,405,798,412
Intangible assets	28,567,247	42,850,871	(14,283,624)	(8,034,538)
	<u>6,733,421,490</u>	<u>6,542,687,917</u>	<u>190,733,572</u>	<u>5,397,763,874</u>
<b>Deferred Tax Assets</b>				
Defined Benefit Plans	-	28,192,630	28,192,630	(30,077,408)
Debtors Impairment	189,186,739	189,186,739	-	(32,444,169)
Revaluation Deficit	-	217,514,121	217,514,121	(174,987,293)
	<u>189,186,739</u>	<u>434,893,491</u>		
<b>Deferred income tax charge/(reversal)</b>			<u>436,440,323</u>	<u>5,160,255,004</u>
<b>Net Deferred Tax Liability/ (Asset)</b>	<u>6,544,234,751</u>	<u>6,107,794,427</u>		

#### Note:

The existence of unused tax losses is strong evidence that future taxable profit may not be available. NWSDB has a cumulative tax loss of Rs.52,753,878,441 as at 31/12/2013. Therefore paying Income Tax by NWSDB is very unlikely, resulting in not recognising a net deferred tax asset /liability.