

**BHIVPURI INVESTMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

BHIVPURI INVESTMENTS LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013

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**BHIVPURI INVESTMENTS LIMITED**  
**COMPANY INFORMATION**

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**DIRECTORS:** Kapildeo Joory (appointed on 17 May 2012)  
Couldip Basanta Lala (appointed on 17 May 2012)  
Anil Kumar Sardana (appointed 31 January 2011)  
Ramakrishnan Sowmyan (appointed 18 May 2007)  
Christina Drakou (resigned on 17 May 2012)  
Christakis Partassides (resigned on 17 May 2012)  
Lora Stylianou (resigned on 17 May 2012)  
Fareed Soreefan (appointed on 26 September 2012)  
Sanjay Dube (appointed on 29 October 2012)  
(Permanent alternate director to Mr Sowmyan Ramakrishnan)

**REGISTERED OFFICE:** IFS Court, TwentyEight  
Cybercity  
Ebene  
Mauritius

**SECRETARY:** International Financial Services Limited  
IFS Court, TwentyEight  
Cybercity  
Ebene  
Mauritius

**BANKER:** HSBC Bank (Mauritius) Limited  
6th Floor, HSBC Centre  
18 Cybercity  
Ebene  
Mauritius

**AUDITOR:** Deloitte  
7th Floor, Raffles Tower  
19 Cybercity  
Ebene  
Mauritius

The directors present the financial statements of Bhivpuri Investments Limited (the "Company") for the year ended 31 March 2013.

#### PRINCIPAL ACTIVITY

The principal activities of the Company are that of investment holding and management support services to related parties.

#### RESULTS

The results for the year are shown in the statement of comprehensive income and related notes.

#### DIRECTORS

The present membership of the Board is set out on page 2.

#### DIVIDENDS

During the year under review, the Board of Directors have approved the payment of dividend amounting to USD55,000,000 (2011: USD113,000,000).

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITOR

The auditor, Deloitte, has indicated its willingness to continue in office until the next Annual Meeting.

**CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001**

We certify that, to the best of our knowledge and belief, we have filed with the Registrar of Companies all such returns as are required of Bhivpuri Investments Limited under the Mauritius Companies Act 2001 for the year ended 31 March 2013.



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**For International Financial Services Limited**  
Secretary

Registered Office:  
IFS Court  
TwentyEight  
Cybercity  
Ebene  
Mauritius

Date: 23 May 2013

## Independent auditor's report to the shareholder of Bhivpuri Investments Limited

This report is made solely to the company's shareholder, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

### Report on the Financial Statements

We have audited the financial statements of **Bhivpuri Investments Limited** on pages 7 to 27 which comprise the statement of financial position as at 31 March 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Directors' responsibilities for the financial statements*

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 adverse audit opinion.

#### *Basis for Adverse Opinion*

##### *Non-compliance with International Accounting Standard (IAS) 31 Interests in Joint Ventures*

IAS 31 requires the company to recognise its interest in joint venture using proportionate consolidation or the equity method as an alternative unless the specific exemptions available under the standard are met. As explained in note 5 the company has not met the specific exemption requirements and has stated its interest in a joint venture amounting to USD 432,320,685 at cost as at 31 March 2013, accordingly, the financial statements have not been prepared in accordance with the requirements of IAS 31.

#### *Adverse Opinion*

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the financial statements on pages 7 to 27 do not give a true and fair view of the financial position of **Bhivpuri Investments Limited** as at 31 March 2013, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### *Prior year financial statements*

The financial statements of Bhivpuri Investments Limited for the year ended 31 March 2012 were audited by another auditor who expressed an unmodified opinion on those statements on 18 May 2012.

**Independent auditor's report to the shareholder of  
Bhivpuri Investments Limited (Cont'd)**

**Emphasis of matter - going concern**

We draw attention to note 19 in the financial statements which indicates that, at 31 March 2013, the company had net current liabilities of USD 241,043,747. These conditions, along with the matters as set out in note 19 indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, the validity of which depends upon continued availability of debt facilities and funds being made available by the ultimate holding company. The financial statements do not include any adjustments that would result from non availability of finance.

**Report on other legal requirements**

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the company other than in our capacity as auditor;
- in our opinion, proper accounting records have been kept by the company as far as appears from our examination of those records;
- we have not obtained all information and explanations that we have required in so far as explained in the paragraph on non-compliance with International Accounting Standard 31 Interests in Joint Ventures; and
- except for the non-compliance with IAS 31, the financial statements of the company comply with the Mauritius Companies Act 2001, in so far as applicable to companies holding Category 1 Global Business Licence.

*Deloitte*

**Deloitte  
Chartered Accountants**

*Pradeep Malik*

**Pradeep Malik, FCA  
Licensed by FRC**

23 May 2013

BHIVPURI INVESTMENTS LIMITED  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 MARCH 2013

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	Notes	2013 USD	2012 USD
<b>INCOME</b>			
Management fee income	12	20,000,000	60,000,000
Interest income on loan		71,034	4,693,394
Interest income on bank account		5	39,857
Other income		501	34,819
		<u>20,071,540</u>	<u>64,768,070</u>
<b>OPERATING EXPENSES</b>			
Licence fees		2,276	-
Audit fees		66,681	45,484
Bank charges		2,519	52,282
Finance cost		6,204,255	12,626,109
Accounting fees		14,567	20,525
Legal and professional fees		297,485	409,387
Foreign exchange loss		1,214	20,059
VAT irrecoverable		3,468	-
		<u>6,592,465</u>	<u>13,173,846</u>
<b>PROFIT BEFORE TAXATION</b>		13,479,075	51,594,224
Taxation	13	(2,290,220)	(6,650,176)
<b>PROFIT FOR THE YEAR</b>		<u>11,188,855</u>	<u>44,944,048</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Profit on cash flow hedge			9,519
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>11,188,855</u>	<u>44,953,567</u>

The notes on pages 11 to 27 form an integral part of these financial statements.  
 The auditor's report is on page 5 and 6.

BHIVPURI INVESTMENTS LIMITED  
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

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	Notes	2013 USD	2012 USD
<b>ASSETS</b>			
<u>Non current asset</u>			
Interest in Joint Venture	5	432,320,685	432,320,685
		<u>432,320,685</u>	<u>432,320,685</u>
<u>Current assets</u>			
Loan to related party	6	4,500,000	4,500,000
Other receivables and prepayments	7	8,126,839	29,671,291
Cash and cash equivalents	8	68,872	1,993
		<u>12,695,711</u>	<u>34,173,284</u>
<b>Total assets</b>		<u>445,016,396</u>	<u>466,493,969</u>
<b>EQUITY AND LIABILITIES</b>			
<u>Capital and reserves</u>			
Stated capital	9	1,000,000	1,000,000
Retained earnings		190,276,938	234,088,083
<b>Total equity</b>		<u>191,276,938</u>	<u>235,088,083</u>
<u>Current liabilities</u>			
Loan from related parties	10	241,070,452	225,060,432
Trade and other payables	11	12,144,694	5,950,391
Current tax liability	13	524,312	395,060
		<u>253,739,458</u>	<u>231,405,886</u>
<b>Total equity and liabilities</b>		<u>445,016,396</u>	<u>466,493,969</u>

Approved by the Board of Directors and authorised for issue on 23 May 2013.

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Director

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Director

The notes on pages 11 to 27 form an integral part of these financial statements.  
The auditor's report is on page 5 and 6.

BHIVPURI INVESTMENTS LIMITED  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 31 MARCH 2013

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	Notes	Stated capital	Hedging reserves	Retained earnings	Total
		USD	USD	USD	USD
At 1 April 2011		1,000,000	(9,519)	302,144,035	303,134,516
Total comprehensive income for the year		-	9,519	44,944,048	44,953,567
Dividend	16	-	-	(113,000,000)	(113,000,000)
At 31 March 2012		1,000,000	-	234,088,083	235,088,083
Total comprehensive income for the year		-	-	11,188,855	11,188,855
Dividend	16	-	-	(55,000,000)	(55,000,000)
At 31 March 2013		1,000,000	-	190,276,938	191,276,938

The notes on pages 11 to 27 form an integral part of these financial statements.

BHIVPURI INVESTMENTS LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2013

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	2013 USD	2012 USD
<b>Cash flows from operating activities</b>		
Profit before tax	13,479,075	51,594,224
<i>Adjustments for:</i>		
Bank interest income	(5)	(39,857)
Interest income on loan	(71,034)	(4,693,394)
Loan interest expense	6,204,255	12,626,109
	<u>19,612,291</u>	<u>59,487,082</u>
<b>Movement in working capital:</b>		
Decrease in other receivables and prepayments	21,615,486	2,851,732
Decrease in trade and other payables	(9,955)	(36,588)
	<u>41,217,822</u>	<u>62,302,226</u>
<b>Cash generated from operating activities</b>	41,217,822	62,302,226
Withholding tax suffered	(2,000,000)	(6,777,061)
Tax paid	(160,968)	-
	<u>39,056,854</u>	<u>55,525,165</u>
<b>Net cash generated from operating activities</b>	39,056,854	55,525,165
<b>Cash flows from investing activities</b>		
Interest received	5	5,434,699
Bank interest received	-	-
Repayment of loans	-	96,368,387
Loan received	40,000,000	-
	<u>40,000,005</u>	<u>101,803,086</u>
<b>Net cash generated from investing activities</b>	40,000,005	101,803,086
<b>Cash flows from financing activities</b>		
Interest paid	-	(5,753,783)
Dividend paid	(55,000,000)	(113,000,000)
Borrowings	-	178,300,059
Repayment of borrowings	(23,989,980)	(288,819,403)
	<u>(78,989,980)</u>	<u>(229,273,127)</u>
<b>Net cash used in financing activities</b>	(78,989,980)	(229,273,127)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	66,879	(71,944,876)
Cash and cash equivalents at beginning of year	1,993	71,946,869
	<u>68,872</u>	<u>1,993</u>
<b>Cash and cash equivalents at end of year</b>	68,872	1,993

The notes on pages 11 to 27 form an integral part of these financial statements.  
The auditor's report is on page 5 and 6.

1. BACKGROUND INFORMATION

The Company was incorporated in Cyprus on 8 March 2007 as a private company with limited liability under the Companies Law, Cap. 113. The Company changed its name from Tata Power (Cyprus) Limited to Bhivpuri Investments Limited on 19 August 2008. On 17 May 2012 the Company has been struck off the Cyprus Registrar of Companies and re-domiciled in Mauritius under the Companies Act 2001 as the holder of Category 1 Global Business Licence as issued by the Financial Services Commission. The registered office address of the Company is at IFS Court, TwentyEight Cybercity, Ebene, Mauritius.

The principal activities of the Company are that of investment holding and provision of loans and management support services to related parties.

2. ACCOUNTING POLICIES

Except for non-compliance with IAS 31, the financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The preparation of financial statements in accordance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) Basis of preparation

The financial statements are prepared under the historical cost convention.

(b) Interests in Joint Ventures

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities of the joint venture require unanimous consent of the parties sharing control.

The Company accounts its investment in Joint Venture at cost less any impairment. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in the statement of comprehensive income.

(c) Foreign currency translation

*Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The financial statements of the Company are presented in United States Dollars ("USD"), which is the Company's functional currency and presentation currency.

2. ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency translation (Continued)

*Transactions and balances*

Transactions denominated in foreign currencies are translated in USD at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rate of exchange ruling at reporting date. Exchange differences arising on translation and realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the Statement of comprehensive income.

(d) Cash and cash equivalents

Cash comprises of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and are held for the purpose of meeting short term cash commitments rather than investment or other purpose.

Short term deposits

Short term deposits are liquid investments, with a maturity period between three months to one year that earn interest at a fixed rate and which are subject to significant risk of change in value.

(e) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

Financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

2. ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (continued)

(i) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the 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 and continues to control the transferred asset, the Company recognises its retained interest in the asset and all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(ii) Financial liabilities

(a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(c) Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

(d) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Transaction costs are defined as incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability. An incremental cost is one that would not have been incurred if the Company had not acquired, issued or disposed of the financial instrument.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(e) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, expired or changed. Where the terms of the financial liability is substantially different, the exchange is accounted for as an extinguishment of the original liability and recognition of a new liability.

2. ACCOUNTING POLICIES (CONTINUED)

(f) Related parties

Parties are considered to be related if one party has control, joint control or exercises significant influence over the other party or is a member of the key management personnel of the other party.

(g) Revenue recognition

Interest revenue is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Services fees and other income are recognised on an accruals basis in the financial statements.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established and is recognised gross of withholding tax.

(h) Expense recognition

All expenses are accounted for in the Statement of comprehensive income on the accruals basis.

(i) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on temporary 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 statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

2. ACCOUNTING POLICIES (CONTINUED)

(i) Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(j) Impairment

The Company's assets are assessed for indicators of impairment at each reporting date.

Assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced by the impairment loss directly for all assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

## 2. ACCOUNTING POLICIES (CONTINUED)

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are effective for accounting periods beginning on 1 April 2012.

### 3.1 *New and revised IFRSs applied with no material effect on financial statements*

The following new and revised Standards and Interpretations have been applied in these financial statements. Their application has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- IAS 12 Income Taxes - Limited scope amendment (recovery of underlying assets)
- IFRS 7 Financial instruments: Disclosures - Amendments enhancing disclosures about transfers of financial assets

### 3.2 *New and revised IFRSs in issue but not yet effective*

At the date of the authorisation of these financial statements, the following Standards and Interpretation were in issue but effective for annual periods beginning on or after the respective date as indicated:

- IAS 1 Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented (effective 1 July 2012)
- IAS 1 Presentation of Financial Statements - Amendments resulting from Annual Improvements 2009-2011 Cycle (comparative information) (effective 1 January 2013)
- IAS 16 Property, Plant and Equipment - Amendments resulting from Annual Improvements 2009-2011 Cycle (servicing equipment) (effective 1 January 2013)
- IAS 19 Employee Benefits - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits project (effective 1 January 2013)
- IAS 27 Separate Financial Statements - Reissued as IAS 27 Separate Financial Statements (as amended in 2011) (effective 1 January 2013)
- IAS 27 Separate Financial Statements (as amended in 2011) - Amendments for investments entities (effective 1 January 2014)
- IAS 28 Investments in Associates - Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011) (effective 1 January 2013)
- IAS 32 Financial instruments: Presentation - Amendments resulting from Annual Improvements 2009-2011 Cycle (tax effect of equity distributions) (effective 1 January 2013)
- IAS 32 Financial instruments: Presentation - Amendments to application guidance on offsetting of financial assets and financial liabilities (effective 1 January 2014)
- IAS 34 Interim Financial Reporting - Amendments resulting from Annual Improvements 2009-2011 Cycle (interim reporting of segment assets) (effective 1 January 2013)
- IFRS 1 First-time Adoption of International Financial Reporting Standards - Amendments for government loan with a below-market rate of interest when transitioning to IFRSs (effective 1 January 2013)
- IFRS 1 First-time Adoption of International Financial Reporting Standards - Amendments resulting from Annual Improvements 2009-2011 Cycle (repeat application, borrowing costs) (effective 1 January 2013)
- IFRS 7 Financial instruments: Disclosures - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities (effective 1 January 2013)
- IFRS 7 Financial instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2015)

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)

3.2 *New and revised IFRSs in issue but not yet effective (continued)*

- IFRS 9 Financial Instruments: Classification and Measurement of Financial Assets (effective 1 January 2015)
- IFRS 9 Financial Instruments - Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements (effective 1 January 2015)
- IFRS 9 Financial Instruments - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2015)
- IFRS 10 Consolidated Financial Statements (effective 1 January 2013)
- IFRS 10 Consolidated Financial Statements - Amendments to transitional guidance (effective 1 January 2013)
- IFRS 10 Consolidated Financial statements - Amendments for investment entities (effective 1 January 2014)
- IFRS 11 Joint Arrangements (effective 1 January 2013)
- IFRS 11 Joint Arrangements - Amendments to transitional guidance (effective 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities - Amendments to transitional guidance (effective 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities - Amendments for investment entities (effective 1 January 2014)
- IFRS 13 Fair Value Measurement (effective 1 January 2013)
- IFRIC20 Stripping Costs in the Production Phase of a Surface Mine (effective 1 January 2013)

The directors anticipate that these standards and interpretations will be applied in the financial statements on the above effective dates in future periods. The directors have not yet had an opportunity to consider the potential impact of the application of those amendments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

*Critical accounting judgements in applying the Company's accounting policies*

In the process of applying the Company's accounting policies, which are described in Note 2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the accounts.

*Determination of functional currency*

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States Dollar.

*Impairment of interest in joint venture*

Determining whether interest in joint ventures is impaired requires an estimation of the value in use of the investment. The value in use calculation requires the directors to estimate the future cash flows expected to arise from that investment and a suitable discount rate in order to calculate present value.

As at 31 March 2013, the directors believe that the carrying values approximate to the fair values of these investments

5. INTEREST IN JOINT VENTURE

	2013	2012
	USD	USD
Interest in joint venture	<u>432,320,685</u>	<u>432,320,685</u>

Details of the interest in joint venture are as follows:

	Place of incorporation	Number of shares	% Holding	Carrying Value 2013 USD	Cost 2013 USD	Carrying Value 2012 USD	Cost 2012 USD
Indocoal Resources (Cayman) Limited	Cayman Islands	300	30%	<u>432,320,685</u>	<u>432,320,685</u>	<u>432,320,685</u>	<u>432,320,685</u>

Interest in joint venture is stated at cost less impairment if any.

The main business activity of Indocoal Resources (Cayman) Limited is to purchase and sell coal. The shares held in Indocoal Resources (Cayman) Limited carry dividend and voting rights.

The Company has not recognized its interest in the jointly controlled entity using proportionate consolidation or the equity method as required by the International Accounting Standard (IAS) 31 "Interests in Joint Ventures".

The directors are of the opinion that the estimated recoverable amount of the investment in the joint venture is not less than its carrying amount.

6. LOAN TO RELATED PARTY

	2013	2012
	USD	USD
<i>Khopoli Investments Limited ("Khopoli")</i>	<u>4,500,000</u>	<u>4,500,000</u>

The loan of USD4.5M to Khopoli Investments Limited, a related party is unsecured, repayable on demand and carries interest at the rate of LIBOR plus margin as agreed between the parties and calculated on the basis of 360 days a year. The effective rate ranges from 1.40130 to 1.66815%.

7. OTHER RECEIVABLES AND PREPAYMENTS

	2013	2012
	USD	USD
Interest on loan to related party	429,186	358,152
Receivables from related companies	7,695,213	29,260,861
Refundable VAT	-	52,278
Interest on short term deposit	5	-
Other receivables and prepayments	2,435	-
	<u>8,126,839</u>	<u>29,671,291</u>

Receivables from related companies pertain to expenses paid by the Company on behalf of related parties and these are unsecured, interest free and will be recalled for payment as and when required.

BHIVPURI INVESTMENTS LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 MARCH 2013

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8. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the cash and cash equivalents comprise the following:

	2013	2012
	USD	USD
Cash at bank	3,872	1,993
Short term bank deposits	65,000	-
	<u>68,872</u>	<u>1,993</u>

The short term fixed deposits carries interest of 0.1% per annum.

9. STATED CAPITAL

	2013	2012
	USD	USD
Ordinary shares of EUR1 each	<u>1,000,000</u>	<u>1,000,000</u>

Under its memorandum the Company fixed its share capital at 746,250 ordinary shares of nominal value of EUR1 each. Upon incorporation on 8 March 2007, the Company issued to the subscribers of its Memorandum of Association 746,250 ordinary shares of EUR1 each at par. Re-translation for stated capital from EUR746,250 to USD1,000,000 happened as of 30 June 2007 at a rate of 1.34 (EUR/USD exchange rate).

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

10. LOAN FROM RELATED PARTIES

Loans	2013	2012
	USD	USD
(a) Bhira Investments Limited	153,255,079	137,245,059
(b) Indocoal Resources (Cayman) Limited	87,815,373	87,815,373
	<u>241,070,452</u>	<u>225,060,432</u>

	2013	2012
	USD	USD
<i>(a) Bhira Investments Limited</i>		
Opening balance	137,245,059	-
Loan to related party	-	178,300,059
Loan given	40,000,000	-
Loan repaid	(23,989,980)	(41,055,000)
Closing balance	<u>153,255,079</u>	<u>137,245,059</u>

The loan from Bhira Investments Limited carried an interest rate of 8.5% plus margin 0.05 and was converted into an interest free loan effective as from 1 November 2012. It is unsecured and repayable as and when agreed by the parties.

	2013	2012
	USD	USD
<i>(b) Indocoal Resources (Cayman) Limited</i>		
Loan	<u>87,815,373</u>	<u>87,815,373</u>

The loan is interest free and repayable only out of dividends declared by Indocoal in favour of the Company.

11. TRADE AND OTHER PAYABLES

	2013	2012
	USD	USD
Other payable and accruals	32,792	42,747
Interest on loan	12,111,902	5,907,647
	<u>12,144,694</u>	<u>5,950,394</u>

12. MANAGEMENT FEE INCOME

The Company had entered into two management services agreements with each PT Kaltim Prima Coal and PT Arutmin Indonesia pursuant to which the Company had been receiving management service fee of USD3,333,333.33 and USD1,666,666.67 on a monthly basis. However, the management services agreement had been novated in favour of Khopoli Investments Limited effective from August 2012.

13. TAXATION

	2013	2012
	USD	USD
Statement of comprehensive income		
Tax expense – previous period		198,461
Tax expense in respect of current period comprises:		
Income tax- Cyprus	129,252	446,599
Income tax- Mauritius	160,968	-
Tax withheld- Indonesia	2,000,000	6,000,000
Contribution to the defence fund	-	5,116
	<u>2,290,220</u>	<u>6,650,176</u>
Statement of financial position		
Income tax- Cyprus	524,312	395,060

Cyprus

In Cyprus the Company was subject to corporation tax at the rate of 10% on its taxable profits. In case of taxable losses, these can be carried forward indefinitely to be offset against profits of subsequent years. Furthermore, under certain conditions interest may be subject to defence contribution at the rate of 10%. In such cases the same interest will be exempt from corporation tax.

Mauritius

The Company is liable to income tax on its chargeable income at the rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual tax suffered or 80% of Mauritian tax payable in respect of its qualifying income, thus reducing its maximum effective tax rate payable to 3%. Capital gains from disposal of the Company's investment are exempt from tax in Mauritius.

BHVPURI INVESTMENTS LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 MARCH 2013

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13. TAXATION (CONTINUED)

	From 1 April 2012 to 16 May 2012 USD	From 17 May 2012 to 31 March 2013 USD	From 1 April 2012 to 31 March 2013 TOTAL USD
Profit before taxation	6,036,302	7,442,773	13,479,075
Adjustment for non-allowable items	1,599,647	122,437	1,722,084
Chargeable income for the period	7,635,949	7,565,210	15,201,159
Cyprus - Tax at the applicable rate of 10%	763,595	-	763,595
Mauritius - Tax at the applicable rate of 15%	-	1,134,782	1,134,782
Effect on revenue that is exempt from taxation	-	-	-
Effect on expenses that are not deductible in determining taxable profit	-	-	-
Adjustment recognised in the current period in relation to the current tax of prior periods	112,523	-	112,523
Tax effect of:			
Non allowable expenses	-	-	-
Tax credit	(758,242)	(1,134,782)	(1,893,024)
Foreign tax paid	-	-	-
10% additional tax	11,376	-	11,376
Defence fund contribution - current period	-	-	-
Defence fund contribution - prior years	-	-	-
Tax already paid under Advanced Payment System	-	160,968	160,968
Income tax expense	129,252	160,968	290,220
Withholding tax suffered in Indonesia	758,242	1,241,758	2,000,000
Reconciliation as per Statement of Comprehensive Income	887,494	1,402,726	2,290,220

13. TAXATION (CONTINUED)

	From 1 April 2011 to 31 March 2012 USD
Profit before taxation	51,594,224
Chargeable income for the year	<u>51,594,224</u>
Cyprus – Tax at the applicable rate of 10%	5,159,422
Effect on revenue that is exempt from taxation	(7,469)
Effect on expenses that are not deductible in determining taxable profit	715,236
Adjustment recognised in the current period in relation to the current tax of prior periods	(15,190)
Tax effect of :	
Non allowable expenses	
Tax credit	(5,446,000)
Foreign tax paid	6,000,000
10% additional tax	40,600
Defence fund contribution – current period	5,116
Defence fund contribution – prior years	
Income tax prior years	<u>198,461</u>
Income tax expense	<u>6,650,176</u>
Withholding tax suffered in Indonesia	
Reconciliation as per Statement of Comprehensive Income	<u>6,650,176</u>

14. RELATED PARTY TRANSACTIONS

For the year ended 31 March 2013, the Company transacted with related parties.

Details of the nature, volume of transactions and the balances with the related parties are as follows:

	2013	2012
	USD	USD
<i>(a) Transactions</i>		
<i>International Financial Services Limited (Administrator and Secretary)</i>		
Professional Fees	<u>43,728</u>	

Two directors of the Company, Messrs Kapildeo Joory and Couldiplall Basanta Lala exercise joint control over International Financial Services Limited ("IFS", the Administrator/Secretary) and are deemed to have beneficial interest in the Administration Agreement and the Tax letter of engagement between the Company and the Administrator/Secretary

14. RELATED PARTY TRANSACTIONS (CONTINUED)

	2013 USD	2012 USD
<i>Receivable from Khopoli Investments Limited ("Khopoli")</i>		
Opening balance	5,366,152	5,294,301
Interest income	71,034	71,851
Closing balance	<u>5,437,186</u>	<u>5,366,152</u>
	2013 USD	2012 USD
<i>Payable to Bhira Investments Limited</i>		
Opening balance	120,399,845	(112,365,523)
Interest income	6,204,255	10,144,932
Other income	-	3,349,296
Interest expense	-	(382,795)
Amortisation of transaction costs	-	(7,409,435)
Expenses paid by/(on behalf of) the Company	15,565,645	(115,341)
Loan given	40,000,000	178,300,059
Loan received	-	(1,250,000)
Loan repayment received	(23,989,980)	(41,055,001)
Interest repayment netted off against payable	-	91,183,653
	<u>158,179,765</u>	<u>120,399,815</u>

*Indocoal Resources (Cayman) Limited*

The Company has loan from Indocoal Resources (Cayman) Limited (Note 10 (b)).

*Compensation to key management personnel*

No compensation has been paid to key management personnel during the year ended 31 March 2013 (2012: USDNIL).

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholder through the optimization of the debt and equity balance.

The capital structure of the Company consists of loans from related parties (offset by cash and cash equivalents) and equity, comprising of stated capital and retained earnings.

Gearing ratio

The gearing ratio at the year end was as follows:

	2013 USD	2012 USD
Debt	241,070,452	225,060,432
Cash and cash equivalents	(68,872)	(1,993)
Net debt	<u>241,001,580</u>	<u>225,058,439</u>
Equity	<u>191,276,938</u>	<u>235,088,083</u>
Net debt to equity ratio	<u>126%</u>	<u>96%</u>

Debt is defined as short term borrowings.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial assets, financial liabilities and equity instruments are disclosed in Note 2 to the financial statements.

Categories of financial instruments

	2013 USD	2012 USD
Financial assets		
Loans and receivables (including cash and cash equivalents)	<u>12,693,276</u>	<u>34,173,284</u>
Financial liabilities		
Amortised cost	<u>253,215,146</u>	<u>231,010,826</u>

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

Financial risk management

In its ordinary operations, the Company's investment activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it invests. The following is a summary of the main risks:

(i) *Currency risk*

All the Company's financial assets and liabilities are denominated in United States Dollar and consequently, the Company is not exposed to foreign currency risk.

The Company has invested in a joint venture entity incorporated in Cayman Islands. Since the main operations, revenues and bulk of the expenses of the joint venture entity are driven by the global market and the United States Dollar, the Company is not exposed to significant foreign currency risk.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

All investments are financed by loan from related parties. The Company's financial assets, except trade and other receivables, and financial liabilities, except other payables, are interest-bearing. As such, the Company is subject to significant risk due to fluctuations in the prevailing levels of the market interest rates. Interest income from bank deposits may fluctuate in amount, in particular due to changes in the interest rates.

Interest income from related party may fluctuate in amount, in particular due to changes in the LIBOR Rate. The impact of a 5% fluctuation in the interest rates on loan to related party would be as follows:

	2013		2012	
	5% increase USD	5% decrease USD	5% increase USD	5% decrease USD
<i>USD denominated</i>				
Interest income on loan	3,552	(3,552)	234,670	(234,670)
Effect on profit before tax	<u>3,552</u>	<u>(3,552)</u>	<u>234,670</u>	<u>(234,670)</u>

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

(iii) Credit risk

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

Financial assets that potentially expose the Company to credit risk are listed below:

Carrying Amount	2013	2012
	USD	USD
Loan receivable	4,500,000	4,500,000
Interest receivable on loan	429,186	358,152
Management fee income receivable	-	6,000,000
Advance to related party	-	508,000
Expenses paid on behalf of related parties	7,695,213	22,752,861
	<u>12,624,399</u>	<u>34,119,013</u>

All of the above are due from related companies. As such, directors believe exposure to credit risk to be minimal.

The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's statement of financial position.

(iv) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors and in managing the Company's short, medium and long term funding and liquidity requirements; the Board of Directors is guided by similar practices adopted by its holding company. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Company can receive and be required to pay. The table includes both interest and principal cash flows.

	Less than	Total
	1 year	
	USD	USD
	2013	2013
Financial assets		
Non-interest bearing	8,128,276	8,128,276
Variable interest rate instruments	4,565,000	4,565,000
	<u>12,693,276</u>	<u>12,693,276</u>
Financial liabilities		
Non-interest bearing	<u>253,215,146</u>	<u>253,215,146</u>

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

*Liquidity and interest risk tables (continued)*

	Less than 1 year USD	Total USD
	2012	2012
<b>Financial assets</b>		
Non-interest bearing	29,673,284	29,673,284
Variable interest rate instruments	4,500,000	4,500,000
	<u>34,173,284</u>	<u>34,173,284</u>
<b>Financial liabilities</b>		
Non-interest bearing	93,765,767	93,765,767
Fixed interest rate instruments	137,245,059	137,245,059
	<u>231,010,826</u>	<u>231,010,826</u>

(v) *Fair values*

The fair value of other financial assets and liabilities is determined in accordance with generally accepted pricing models, based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The Company's other financial assets and liabilities include cash and cash equivalents, loan to/from related parties, and accruals. The carrying amounts of these assets and liabilities approximate their fair values.

16. DIVIDEND

During the year ended 31 March 2013, dividends of USD26.80067, USD26.80067 and USD20.1005 per share (2012: USD151.4238 per share) were declared by the directors on 15 May 2012, 16 May 2012 and 26 September 2012 respectively for a total of USD55,000,000 and paid in full (2012: USD113,000,000).

17. HOLDING AND ULTIMATE HOLDING COMPANY

The Tata Power Company Limited, a company incorporated in India and listed on Bombay National Stock Exchange and National Stock Exchange of India is the holding and ultimate holding company.

18. NON COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS (IAS) 31 INTERESTS IN JOINT VENTURES

IAS 31 requires a parent company that holds interests in joint ventures to present financial statements that are either proportionately consolidated or to apply the equity method for accounting its interests. The parent company is exempted from this requirement if it satisfies all the conditions available under paragraph 2(c) of IAS 31. However, the Company has not proportionately consolidated or applied equity method for accounting its joint venture in these financial statements which are being presented on a standalone basis.

19. GOING CONCERN

At 31 March 2013, the Company had net current liabilities of USD241,043,747 (31 Mar 2012: USD197,232,602). These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on a going concern basis, which assumed that the Company would continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the ultimate holding company.

The ultimate holding company has confirmed that it would continue to provide its financial support to the Company for at least the next twelve months starting from the date of approval of the financial statements.

BHIVPURI INVESTMENTS LIMITED  
 INCOME STATEMENT  
 FOR THE YEAR ENDED 31 MARCH 2013

	Year March,2013	Exchange Rate	Amount Rs	Year March,2012	Exchange Rate	Amount Rs
	USD			USD		
Management fee Income	20,000,000	54.45	1,089,000,000	60,000,000	47.95	2,877,000,000
Interest Income on Loan	71,034	54.45	3,867,801	4,693,394	47.95	225,048,242
Interest Income on Bank account	5	54.45	272	39,857	47.95	1,911,143
Other Income	501	54.45	27,279	34,819	47.95	1,669,571
	<u>20,071,540</u>		<u>1,092,895,353</u>	<u>64,768,070</u>		<u>3,105,628,957</u>
License Fees	2,276	54.45	123,928	-	47.95	-
Audit fees	66,681	54.45	3,630,780	45,484	47.95	2,180,958
Accounting fees	14,567	54.45	793,173	20,525	47.95	984,174
Legal & professional fees	297,485	54.45	16,198,058	409,387	47.95	19,630,107
Foreign exchange gain	1,214	54.45	66,102	20,059	47.95	961,829
Vat Recoverable	3,468	54.45	188,833	-	47.95	-
Other expenses	2,519	54.45	137,160	52,282	47.95	2,506,922
Finance costs	6,204,255	54.45	337,821,685	12,626,109	47.95	605,421,927
Total expenditure	<u>6,592,465</u>	54.45	<u>358,959,719</u>	<u>13,173,846</u>	47.95	<u>631,685,916</u>
PROFIT BEFORE TAX	13,479,075	54.45	733,935,634	51,594,224	47.95	2,473,943,041
Taxation	(2,290,220)	54.45	(124,702,479)	(6,650,176)	47.95	(318,875,939)
PROFIT FOR THE YEAR	<u>11,188,855</u>	54.45	<u>609,233,155</u>	<u>44,944,048</u>	47.95	<u>2,155,067,102</u>



BHVPURI INVESTMENTS LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2013

	Share Capital		Hedging reserve		Retained Earnings		Total	
	USD	Rs	USD	Rs	USD	Rs	USD	Rs
Balance as at 1st April, 2010	1,000,000	40,760,000	(798,767.00)	(34,141,005.94)	285,537,372.00	12,108,566,832.74	285,738,605.00	12,115,205,826.80
Profit for the year					41,306,663	1,882,757,700	41,306,663	1,882,757,700
Other comprehensive income for the year			789,248	35,973,924		-	789,248	35,973,924
Dividend Paid					(4,700,000)	(214,226,000)	(4,700,000)	(214,226,000)
At 31 st March 2011	1,000,000	40,760,000	(9,519)	1,832,918	302,144,035	13,777,118,532	303,134,516	13,819,711,450
Profit for the year					44,944,048	2,155,067,102	44,944,048	2,155,067,102
Other comprehensive income for the year			9,519	458,436		-	9,519	458,436
Dividend Paid					(113,000,000)	(5,418,350,000)	(113,000,000)	(5,418,350,000)
At 31 st March 2012	1,000,000	40,760,000	-	2,289,354	234,088,083	10,513,835,634	235,088,083	10,556,884,988
Profit for the year					11,188,855	609,233,155	11,188,855	609,233,155
Other comprehensive income for the year					(55,000,000)	(2,994,750,000)	(55,000,000)	(2,994,750,000)
Dividend Paid					190,276,938	8,128,318,789	191,276,938	8,171,388,143
At 31 st March 2013	1,000,000	40,760,000	-	2,289,354	190,276,938	8,128,318,789	191,276,938	8,171,388,143

BHIVPURI INVESTMENTS LIMITED  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2013

	Year ended March, 2013	Exchange Rate	Amount Rs	Year ended March, 2012	Exchange Rate	Amount Rs
	USD			USD		
<b>Cash flows from operating activities</b>						
Profit before tax	13,479,075	54.45	733,935,634	51,594,224	47.95	2,473,943,041
<i>Adjustments for:</i>						
Interest income	(71,039)	54.45	(3,868,074)	(4,733,251)	47.95	(226,959,385)
Loan interest expense	6,204,255	54.45	337,821,685	12,626,109	47.95	605,421,927
Dividend income						
<b>Cash flows generated from operations before working capital changes</b>	<u>19,612,291</u>		<u>1,067,889,245</u>	<u>59,487,082</u>		<u>2,852,405,582</u>
Decrease in trade and other receivables	21,615,486	54.45	1,176,963,213	2,851,732	47.95	136,740,549
Increase in trade and other payables	(9,955)	54.45	(542,050)	(36,588)	47.95	(1,754,395)
<b>Cash flows from operations</b>	<u>41,217,822</u>		<u>2,244,310,408</u>	<u>62,302,226</u>		<u>2,987,391,737</u>
Interest received						
Withholding Tax Suffered	(2,000,000)	54.45	(108,900,000)			
Tax paid	(160,968)	54.45	(8,764,708)	(6,777,061)	47.95	(324,960,075)
<b>Net cash from operating activities</b>	<u>39,056,854</u>		<u>2,126,645,700</u>	<u>55,525,165</u>		<u>2,662,431,662</u>
<b>Cash flows from investing activities</b>						
Payments for purchase interest in joint ventures						
Interest received	5	54.45	272	5,434,699	47.95	260,593,817
Repayment of loans				96,368,387	47.95	4,620,864,157
Dividend received						
Loans Received	40,000,000	54.45	2,178,000,000			
<b>Net cash used in Investing activities</b>	<u>40,000,005</u>		<u>2,178,000,272</u>	<u>101,803,086</u>		<u>4,881,457,974</u>
<b>Cash flows from financing activities</b>						
Proceeds from issue of share capital						
Finance cost capitalized				178,300,059		
Proceeds from borrowings		54.45	-	(288,819,403)	47.95	(13,848,890,374)
Repayment of borrowings	(23,989,980)	54.45	(1,306,254,411)	(5,753,783)	47.95	(275,893,895)
Interest paid		54.45		(113,000,000)	47.95	(5,418,350,000)
Dividend Paid	(55,000,000)	54.45	(2,994,750,000)			
Exchange fluctuation			1,676			8,785,480,016
<b>Net cash generated from financing activities</b>	<u>(78,989,980)</u>		<u>(4,301,002,735)</u>	<u>(229,273,127)</u>		<u>(10,757,654,253)</u>
<b>Net increase in cash and cash equivalents</b>	<u>66,879</u>		<u>3,643,238</u>	<u>(71,944,876)</u>		<u>(3,213,764,617)</u>
Cash and cash equivalents:						
At the beginning of the period	1,993		102,022	71,946,869		3,213,867,550
At the end of the period	<u>68,872</u>		<u>3,745,259</u>	<u>1,993</u>		<u>102,022</u>