



**TATA POWER INTERNATIONAL
PTE. LIMITED**
(Company Registration No. 201309096C)

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

YEAR ENDED MARCH 31, 2017

TATA POWER INTERNATIONAL PTE. LIMITED

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

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TATA POWER INTERNATIONAL PTE. LIMITED

DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of the Company for the financial year ended March 31, 2017.

In the opinion of the directors, the financial statements of the Company as set out on pages 6 to 46 are drawn up so as to give a true and fair view of financial position of the Company as at March 31, 2017, and the financial performance, changes in equity and cash flows of the Company for the financial year then ended and at the date of this statement, with the continued financial support of its holding company, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Kottamasu Venkateswara Rao	
Anand Agarwal	(Appointed on June 14, 2016)
Pritimukta Sarangi	(Appointed on May 4, 2017)
Minesh Shri Krishna Dave	

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial period did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors holding office at the end of the financial period had no interests in the share capital or debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act.

TATA POWER INTERNATIONAL PTE. LIMITED

DIRECTORS' STATEMENT

4 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company were granted.

(b) Options exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company under option.

ON BEHALF OF THE DIRECTORS


Pritimukta Sarangi


Kottamasu Venkateswara Rao

Date: **23 JUN 2017**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TATA POWER INTERNATIONAL PTE. LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Tata Power International Pte. Limited (the "Company") which comprise the statement of financial position of the Company as at March 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 46.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at March 31, 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Qualified Opinion

As disclosed in Note 10 to the financial statements, the Company did not determine the fair value of the convertible loan of US\$4,093,778 which comprise of outstanding loan principal of US\$4,000,000 and accrued interest of US\$93,778 in accordance to Singapore Financial Reporting Standard 39, *Financial Instruments: Recognition and Measurement* ("FRS 39") for the year ended March 31, 2016. As at March 31, 2017, the Company has assessed the fair value of the convertible instrument to be US\$Nil, as management does not expect to recover it either through settlement or conversion. Consequently, we have not been able to determine the effect of the change in fair value of the convertible loan to profit or loss for the year ended March 31, 2017.

The matter described in the preceding paragraph has an impact to the opening balance of accumulated losses and to the statement of profit or loss and other comprehensive income for the year ended March 31, 2017.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TATA POWER INTERNATIONAL PTE. LIMITED

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to determine the effect to the opening balance of the accumulated losses and to the statement of profit or loss and other comprehensive income for the year ended March 31, 2017. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
TATA POWER INTERNATIONAL PTE. LIMITED**

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the matter described in the Basis for Qualified Opinion section above, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Public Accountants and
Chartered Accountants
Singapore

June 23, 2017

TATA POWER INTERNATIONAL PTE. LIMITED

**STATEMENT OF FINANCIAL POSITION
MARCH 31, 2017**

	Note	2017 US\$	2016 US\$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	7	4,388,645	3,522,587
Trade receivables	8	26,474,379	16,510,133
Other receivables and prepayments	9	1,929,503	29,279
Other financial asset at fair value through profit or loss	10	-	4,093,778
		<u>32,792,527</u>	<u>24,155,777</u>
Investment held for sale	11	-	29,625,000
Total current assets		<u>32,792,527</u>	<u>53,780,777</u>
Non-current assets			
Prepaid expenses for investments		3,318,801	1,621,398
Investment in joint ventures	12	172,977,709	169,613,745
Available-for-sale financial assets	13	247,207	585,011
Plant and equipment	14	18,174	562
Total non-current assets		<u>176,561,891</u>	<u>171,820,716</u>
TOTAL ASSETS		<u>209,354,418</u>	<u>225,601,493</u>
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Trade payables	15	25,689,100	19,997,909
Other payables	16	108,496,278	138,139,943
Derivative financial instruments	17	-	2,881
Income tax payable		298,000	328,067
Total current liabilities		<u>134,483,378</u>	<u>158,468,800</u>
Non-current liability			
Redeemable preference shares	18	-	44,137,887
Capital, reserves and accumulated losses			
Share capital	19	85,940,000	17,950,000
Capital reserve	20	5,248,006	25,970,050
Accumulated losses		(16,316,966)	(20,925,244)
Net equity		<u>74,871,040</u>	<u>22,994,806</u>
TOTAL LIABILITIES AND NET EQUITY		<u>209,354,418</u>	<u>225,601,493</u>

See accompany notes to financial statements.

TATA POWER INTERNATIONAL PTE. LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2017**

	Note	2016 US\$	2015 US\$
Service fees income from consultancy service rendered		48,264,516	31,421,563
Service fee expense		(40,921,756)	(24,544,328)
Other income	21	9,190,252	1,402,393
Foreign exchange gain (loss)		100,093	(22,376)
Staff and related costs		(993,951)	(1,183,079)
Operating expenses	22	(1,457,872)	(1,627,022)
Impairment loss on investments		(7,491,062)	(27,392,972)
Depreciation expenses		(921)	(172)
Finance costs	23	(495,773)	(3,843,034)
Profit (Loss) before income tax	24	6,193,526	(25,789,027)
Income tax expense	25	(1,585,248)	(2,167,373)
Profit (Loss) for the year, representing total comprehensive income (loss) for the year		<u>4,608,278</u>	<u>(27,956,400)</u>

See accompany notes to financial statements.

TATA POWER INTERNATIONAL PTE. LIMITED

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2017**

	Share capital \$	Capital reserve \$	Accumulated profits (losses) \$	Total \$
Balance at April 1, 2015	17,950,000	25,970,050	7,031,156	50,951,206
Loss for the year, representing total comprehensive loss for the financial year	-	-	(27,956,400)	(27,956,400)
Balance at March 31, 2016	17,950,000	25,970,050	(20,925,244)	22,994,806
Issue of share capital	67,990,000	-	-	67,990,000
Profit for the year, representing total comprehensive income for the financial year	-	-	4,608,278	4,608,278
Reversal of deemed capital contribution from holding company	-	(20,722,044)	-	(20,722,044)
Balance at March 31, 2017	85,940,000	5,248,006	(16,316,966)	74,871,040

See accompany notes to financial statements.

TATA POWER INTERNATIONAL PTE. LIMITED

**STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2017**

	Note	2017 US\$	2016 US\$
Operating activities			
Profit (Loss) before income tax:		6,193,526	(25,789,027)
Adjustments for:			
Interest expense		484,754	3,833,828
Interest income	21	(89,758)	(95,569)
Depreciation expenses	14	921	172
Dividend income	21	(9,099,998)	(1,300,000)
Impairment loss on investments	24	7,491,062	26,592,972
Cash flows before changes in working capital		4,980,507	3,242,376
Trade receivables		(2,164,248)	(6,691,793)
Trade payables		5,688,310	11,820,551
Other receivables		(2,064,224)	(29,279)
Other payables		(30,713,785)	(837,750)
Cash (used in) generated from operations		(24,273,440)	7,504,105
Interest received		7,280	14,235
Interest paid		(377,338)	(518,816)
Income tax paid		(675,658)	(56,911)
Net cash (used in) from operating activities		(25,319,156)	6,942,613
Investing activities			
Prepaid expenses for investments	A	(1,393,637)	(402,143)
Investment in joint ventures	12, B	(6,034,739)	(4,985,735)
Proceeds from disposal of joint venture		29,202,053	-
Dividend received		1,300,000	-
Purchase of plant & equipment	14	(18,533)	(734)
Net cash from (used in) investing activities		23,055,144	(5,388,612)
Financing activity			
Proceeds on issue of share, representing net cash from financing activity	19	3,130,070	-

TATA POWER INTERNATIONAL PTE. LIMITED

**STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2017**

	Note	2017 US\$	2016 US\$
Net increase in cash and cash equivalents		866,058	1,554,001
Cash and cash equivalents at the beginning of financial year		<u>3,522,587</u>	<u>1,968,586</u>
Cash and cash equivalents at the end of the financial year	7	<u>4,388,645</u>	<u>3,522,587</u>

Note

During the financial year, the Company has the following non-cash transactions:

- A. An amount of US\$303,766 (2016 : US\$998,166) remains unpaid in other payables for prepaid expenses for investments.
- B. Investment in joint venture of US\$99,058,015 (2016 : US\$99,058,015) was acquired from a fellow subsidiary of the holding company on March 21, 2016. The total consideration of US\$99,058,015 (2016 : US\$99,058,015) remains unpaid and is disclosed as other payables (Note 16).

See accompany notes to financial statements.

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

1. GENERAL

The Company (Registration No: 201309096C) is incorporated in the Republic of Singapore with its principal place of business and registered office at 78 Shenton Way, #17-01 Singapore 079120. The financial statements are expressed in United States dollars.

The principal activity of the Company are those of investment holding and rendering of business and management consultancy services.

The financial statements of the Company for the financial year ended March 31, 2017 were authorised for issue by the board of directors on June 23, 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING -The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment* leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

ADOPTION OF NEW AND REVISED STANDARDS - On April 1, 2016, the Company adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following new/revised FRSs, INT FRSs and amendments to FRS that are relevant to the Company were issued but not effective:

- FRS 109 *Financial Instruments*¹
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)*¹
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*²

¹ Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

² Applies prospectively to annual periods beginning on or after January 1, 2017, with early application permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of FRS 109 relevant to the Company:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

Management anticipates that the application of FRS 109 in the future would result in changes to the accounting policies relating to the impairment provisions of financial assets. Management intends to adopt FRS 109 when it becomes effective in 2018. Additional disclosures will also be made. However, it is not practicable to provide a reasonable estimate of the effect of FRS 109 until management completes its assessment.

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

In June 2016, amendments to FRS 115 was issued to provide clarifications on (i) identifying performance obligations (ii) principal versus agent considerations and (iii) licensing application guidance. The amendments also included two additional transition reliefs on contract modifications and completed contracts.

Management intends to adopt FRS 115 when it becomes effective in 2018. Management anticipates that the application of FRS 115 in the future may have a material impact on the amounts reported and disclosures made in the Company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of FRS 115 until management completes its assessment.

Amendments to FRS 7 Statement of Cash Flows: Disclosure Initiative

The amendments required an entity to provide disclosures that enable users of financial statements to evaluate the changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes.

Management is currently evaluating the potential impact of the amendments to FRS 7 on the financial statements of the Company in the period of application.

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

CONSOLIDATION - Consolidated financial statements have not been prepared as the Company is a wholly-owned subsidiary of the ultimate holding company, The Tata Power Company Ltd, incorporated in India, who prepares consolidated financial statements. Such financial statements are publicly available. The registered office of The Tata Power Company Ltd is located at Bombay House, 24, Homi Mody Street, Mumbai 400001, India.

INTERESTS IN JOINT VENTURE - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in joint ventures. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with FRS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees 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 instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified as "at fair value through profit or loss", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- On initial recognition, it is part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in 'other income' line in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 4.

Loans and receivables

Trade 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 impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Investment held for sale

Investments are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Investments classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Plant and equipment

Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

Depreciation is charged so as to write off the cost less the residual value over their estimated useful lives, using the straight-line method, on the following bases:

Asset Category	Economic Useful Life
IT & Electronic Devices (or "Tools and equipment")	3 years

Fully depreciated assets still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss.

Available-for-sale financial assets

Certain shares held by the Company are classified as being available-for-sale. Quoted shares classified as available-for-sales are stated at fair value and unquoted shares classified as available for sale are stated at cost. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial 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 financial asset have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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 financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade or other 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.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss. Impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income.

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

For financial assets carried at amortised cost, 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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all 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 an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Capital reserve

Capital reserve represent deemed capital contribution from holding company being the net present value of the non-cumulative preference shares issued, that is at amortised costs versus the notional amount.

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payables when recognition of interest would be immaterial.

Interest-bearing redeemable preference shares are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

REDEEMABLE PREFERENCE SHARES - Redeemable preference shares are initially recorded at amortised cost with a corresponding deemed capital contribution to reserves upon recognition under *FRS 39 Financial Instruments: Recognition and Measurement*. Interest expense is recorded over the period of the life of the redeemable preference shares.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING – The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange risk, including forward foreign exchange contracts.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

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 end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided and services rendered in the normal course of business, net of discounts and sales related taxes.

Service fees income

Service fees income from consultancy agreements to provide consultancy services is recognised in accordance with the substance of the relevant agreements. Service fee income determined on a time basis are recognised on a straight-line basis over the period of the agreement.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

DIVIDEND INCOME - Dividend income from investments is recognised when the shareholders' rights to receive payment has been established.

BORROWING COSTS - Borrowing costs are recognised in profit or loss in the period in which they are incurred.

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

INCOME TAX - 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 profit or loss and other 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 not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on the 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. 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 based on the tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

Current and deferred tax are recognised as an expense or income in profit or loss.

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The financial statements of the Company are presented in United States dollars, which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES
OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

a) Critical judgements in applying the Company's accounting policies

Management is of the opinion that there are no critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Company's accounting policies and that has the most significant effect on the amounts recognised in the financial statements.

b) Key sources of estimation uncertainty

The key assumptions concerning the future, and the other key sources of estimation at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are discussed below.

Impairment of investment in available-for-sale financial assets

Note 2 to the financial statements describes that impairment of investments in available-for-sale financial assets requires management to exercise judgement as to whether a significant or prolonged decline in fair value below the cost has occurred. Details of the Company's investment in available-for-sale financial assets are disclosed in Note 13 to the financial statements.

For the quoted equity shares, the management has considered the decline in the fair value of the investment as compared to the original cost of investment and the related trends and has accordingly made the judgement to impair the investment.

For the unquoted equity shares, the management has considered the available information with regards to the investee and any impairment indicators. Accordingly, management has made a judgement to impair certain investments.

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

Impairment of investment in joint ventures

The Company holds significant investments in joint ventures as disclosed in Note 12. In assessing the impairment of the investment in joint ventures, management has obtained independent valuations of the underlying assets, as well as provisional sale price less estimated cost to sell for Adjaristsqali Netherlands B.V. and PT Baramulti Suksessarana Tbk respectively.

In determining the fair value of the underlying assets, the valuer has used valuation techniques which involve certain estimates and significant unobservable inputs which are disclosed in Note 4. The key assumptions used to determine the fair value include revenue growth rate and discount rate.

The management has considered the available information with regards to the investee and any impairment indicators. Accordingly, management has made a judgement to impair its impairment in Adjaristsqali Netherlands B.V. of \$1,520,152 (2016 : \$10,590,040). No impairment is recognised for its investment in PT Baramulti Suksessarana Tbk.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2017	2016
	US\$	US\$
Financial assets		
Cash and cash equivalents	4,388,645	3,522,587
Loan and receivables	26,494,890	16,529,240
Other financial asset at fair value through profit or loss	-	4,093,778
Available-for-sale financial assets	247,207	585,011
	<hr/>	<hr/>
Financial liabilities		
Amortised cost	134,185,378	202,275,739
Derivatives	-	2,881
	<hr/>	<hr/>

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

b) Financial risk management policies and objectives

The Company has financial risk management policies which set out the Company's overall business strategies and its risk management philosophy. The Company's overall financial risk management programme seeks to minimise potential adverse effects of the financial performance of the Company.

There has been no significant change to the manner in which the Company manages and measures these financial risks.

i) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company deals mainly with related companies, related parties and reputable companies. All customers of the Company are evaluated by the holding company, who in turn will advise the credit terms to be granted.

The Company's principal financial assets are cash and cash equivalents and trade and other receivables.

Cash and cash equivalent is deposited with reputable financial institutions.

Significant concentration of credit risk

Concentration of credit risk exists when changes in economic, industry or geographical factors similarly affect group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

For the financial year ended March 31, 2017, eleven (2016 : eight) customers represented the entire balance of the Company's trade receivables balance. Further details of credit risks on trade receivables are disclosed in Note 8.

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

ii) Interest rate risk management

Interest rate risk arises from the potential change in interest rates that may have an adverse effect on the Company in the currency reporting period or in future years.

The Company's profit or loss for the year is not expected to be substantially affected by changes in interest rates except for the impact on the fixed interest rate that is used to effectively discount the redeemable non-cumulative preference shares to amortised costs.

iii) Foreign currency risk management

The Company is exposed to changes in foreign exchange rates primarily with respect to the Singapore dollar, Australian dollar and South Africa rand.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities dominated in foreign currencies are as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
<u>Assets</u>		
Singapore dollars	27,328	65,055
Australian dollars	247,207	585,011
South Africa rand	<u>1,079,487</u>	<u>572,320</u>
 <u>Liabilities</u>		
Singapore dollars	140,018	284,118
South Africa rand	<u>-</u>	<u>113,737</u>

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

Foreign currency sensitivity

The sensitivity rate used when reporting foreign currency risk to key management personnel is 10%, which is the change in foreign exchange rate that management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

If the relevant foreign currencies weaken by 10% against the functional currency of the Company, the profit or loss for the year will decrease (increase) by:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Singapore dollars	11,269	21,906
Australian dollars	(24,721)	(58,501)
South Africa rand	<u>(107,949)</u>	<u>(45,858)</u>

iv) Liquidity risk management

Liquidity risk refers to the risk in which the Company has difficulties in meeting its short- term obligations. The Company's operations are financed mainly through its internally generated cash flow, debt and funding from holding company.

As at March 31, 2017, the Company's current liabilities exceeded its current assets by US\$101,690,851 (2016 : US\$104,688,023).

The Company is dependent on its holding company (Note 5) for continued financial support and management is satisfied that the financial support will be available when required. Hence, management is of the opinion that liquidity risk is minimal.

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

Liquidity risk analysis

Non-derivative financial liabilities

The following table details the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Average effective interest rate %	On demand or within 1 year US\$	Adjustment US\$	Total US\$
<u>2017</u>				
Non-interest bearing	N.A	127,985,378	-	127,985,378
Variable interest rate instrument	1.81	6,312,508	(112,508)	6,200,000
Fixed interest rate instruments	-	-	-	-
		<u>134,297,886</u>	<u>(112,508)</u>	<u>134,185,378</u>
<u>2016</u>				
Non-interest bearing	N.A	151,937,852	-	151,937,852
Variable interest rate instrument	1.70	6,305,603	(105,603)	6,200,000
Fixed interest rate instruments	7.54	64,859,930	(20,722,043)	44,137,887
		<u>223,103,385</u>	<u>(20,827,646)</u>	<u>202,275,739</u>

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the Company's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

	Average effective interest rate %	On demand or within 1 year US\$	Adjustment US\$	Total US\$
<u>2017</u>				
Non-interest bearing	N.A	<u>31,130,742</u>	-	<u>31,130,742</u>
<u>2016</u>				
Non-interest bearing	N.A	<u>20,636,838</u>	-	<u>20,636,838</u>

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

Derivative financial instruments

The following table details the liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted net cash outflows on the derivative instrument that settle on a net basis and the undiscounted gross outflows on those derivatives that require gross settlement. When the amount receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period.

	Average effective interest rate %	On demand or within 1 year US\$	Adjustment US\$	Total US\$
<u>2017</u>				
Non-interest bearing	N.A	-	-	-
Fixed interest rate instruments	-	-	-	-
		-	-	-
<u>2016</u>				
Non-interest bearing	N.A	-	-	-
Fixed interest rate instruments	2.00	4,175,654	(81,876)	4,093,778
		4,175,654	(81,876)	4,093,778

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade receivables and payables and other receivables and payables, approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are 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.

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

Fair value of the financial assets that are measured at fair value on a recurring basis

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the values of these financial assets are determined (in particular, the valuation technique(s) and input(s) used).

Financial assets	Fair value as at (US\$)	Fair value as at (US\$)	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity
	2017	2016				
	Assets	Assets				
Available-for-sale investments (Note 13) Quoted equity investment – at fair value	247,207	585,011	Level 1	Quoted bid prices in an active market.	N/A	N/A

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in the period.

TATA POWER INTERNATIONAL PTE. LIMITED**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017****6. OTHER RELATED PARTY TRANSACTIONS**

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

	2017	2016
	US\$	US\$
Service fees income from:		
- Joint ventures	4,735,178	1,501,455
- Associates of ultimate holding company	38,956,114	25,873,000
	<u>43,691,292</u>	<u>27,374,455</u>
Dividend income from joint venture	9,099,998	1,300,000
Interest income from joint venture	82,478	81,334

Compensation of directors and key management personnel

The remuneration of directors during the year was as follow:

	2017	2016
	US\$	US\$
Short-term benefits	<u>346,419</u>	<u>271,105</u>

There are no key management personnel apart from the Company's directors.

7. CASH AND CASH EQUIVALENTS

	2017	2016
	US\$	US\$
Cash in hand	244	80
Cash at bank	3,965,903	1,520,515
Fixed deposits	422,498	2,001,992
Cash and cash equivalents	<u>4,388,645</u>	<u>3,522,587</u>

The fixed deposits bear and average interest rate of 6.50% to 6.90% (2016 : 0.40%-0.65%) per annum and have a tenure of approximately 1 month (2016 : approximately 1 month).

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

8. TRADE RECEIVABLES

	Note	2017 US\$	2016 US\$
Outside party		2,977,630	1,669,800
Related party	6	23,496,749	14,840,333
		<u>26,474,379</u>	<u>16,510,133</u>

The average credit period is 30 days (2016 : 30 days). No interest is charged on trade receivables.

Before accepting any new customer, the Company will assess the potential customer's credit quality. Limits are monitored periodically by management. The Company makes specific allowances for receivables based on management assessment that majority receivables that are past due beyond 120 days are generally not recoverable. In determining the recoverability of a trade receivable the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the management believes that there is no allowance required.

The Company does not hold any collateral over the trade receivables. There are trade receivables balances of US\$ 8,672,452 (2016 : US\$1,388,000) as at year end that are past due but not impaired. The average age of these receivables are between 31 to 302 days (2016 : 31 to 134 days). The Company has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable.

9. OTHER RECEIVABLES AND PREPAYMENTS

	2017 US\$	2016 US\$
Other receivables	20,511	20,175
Prepayments	2,465	2,487
GST receivables	10,123	6,617
Deferred costs	1,896,404	-
	<u>1,929,503</u>	<u>29,279</u>

TATA POWER INTERNATIONAL PTE. LIMITED**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017****10. OTHER FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS**

	2017	2016
	US\$	US\$
Loan to Koromkheti B.V.	4,340,256	4,093,778
Less: Change of fair value during the year	(4,340,256)	-
Balance at end of the year	-	4,093,778

The Company had entered into an agreement with its joint venture to provide a loan facility of US\$8.6 million (2016 : US\$8.6 million). As at March 31, 2017, the loan amounting to US\$4,340,256 (2016 : US\$4,093,778) comprises outstanding loan principal of US\$4,164,000 (2016 : US\$4,000,000) and accrued interest of US\$176,256 (2016 : US\$93,778). The loan is unsecured, interest bearing and is repayable on demand. Interest is computed for the actual number of days at a fixed rate of 2% per annum (basis 360 days).

Under the loan agreement, the Company has the option to convert the outstanding amount of loan and accrued interest into equity shares of the joint venture based on a fixed price per share. No part of the loan has been converted into shares as of March 31, 2017 and 2016.

The loan to a joint venture is measured at fair value through profit or loss in accordance with FRS 39 *Financial Instruments: Recognition and Measurement* as it is a hybrid instrument which gives the Company a right to convert the loan to equity shares. Management had not performed a fair value assessment for the year ended March 31, 2016. Management believes that the loan has a fair value of NIL as at March 31, 2017 as management does not expect to recover it either through settlement or conversion.

11. INVESTMENT HELD FOR SALE

In March 2016, the Company resolved and entered into a sale and purchase agreement to sell equity-interests in a joint venture to a third party. The held for sale investment, which was expected to be sold within 12 months, was classified as investment held for sale and was presented separately in the statement of financial position.

The investment classified as held for sale is as follows:

	2017	2016
	US\$	US\$
Investment held for sale	-	29,625,000

The proceeds of the sale was less than the net carrying amount of the investment in 2016 as set out above and accordingly, the impairment loss of US\$1,292,227 has been recognised in profit and loss in 2017.

TATA POWER INTERNATIONAL PTE. LIMITED**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017****12. INVESTMENT IN JOINT VENTURES**

	2017	2016
	US\$	US\$
Investment in joint venture - at cost	172,088,995	212,012,132
Deemed equity contribution	12,999,529	12,999,529
	<u>185,088,524</u>	<u>225,011,661</u>
Less: Impairment of investments	(12,110,815)	(25,772,916)
Investment held for sale (Note 11)	-	(29,625,000)
	<u>172,977,709</u>	<u>169,613,745</u>

Adjaristsqali Netherlands B.V

The Company has interest in 16,459 (2016 : 15,671) common shares representing 40% (2016 : 40%) of the paid up equity shares of Adjaristsqali Netherlands B.V., a joint venture established in Netherlands. Investment amounts to US\$72,448,965 (2016 : US\$70,555,107) comprising of investment cost of US\$71,559,628 (2016 : US\$68,145,618) and deemed capital contribution of US\$889,337 (2016 : US\$2,409,489) arising from fair value adjustment on conversion of loan into equity shares. Although the Company holds less than 50% of the equity shares in Adjaristsqali Netherlands B.V., the Company has joint control over the financial and operating policies of the entity by virtue of the provisions of the joint venture agreement entered into with the counterparty joint venturers.

As at March 31, 2017, impairment loss amounting to US\$1,520,152 (2016 : US\$10,590,040) was recognised in profit and loss based on the valuation report and other information available to the management. The recoverable amount is based on value-in-use calculation and the discount rate used is 10.4% (2016: 10.6%).

The Company has entered into a shareholder agreement with joint venturers to the joint venture, which allows one of the joint venturers ("Put Holder") to exercise a put option to sell its shares in the joint venture to the remaining two joint venturers, upon occurrence of triggering events as defined in the shareholder agreement. The joint venturer which causes the triggering event is obligated to purchase, while the other joint venturer has the right to purchase, from the Put Holder such number of shares computed based on proportion of the remaining two joint venturers' shareholdings in the joint venture. The purchase price will be based on the fair value of the shares when the Put Holder exercises the put option. Accordingly, the fair value of the put option is Nil. As of March 31, 2017, there is no such triggering event and the put option is not exercised.

The Company has entered into a Sponsor Support and Share Retention Agreement with joint venturers to the joint venture and is secured by a corporate guarantee issued by the holding company for an amount of US\$29 million (2016 : US\$29 million).

TATA POWER INTERNATIONAL PTE. LIMITED

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

Koromkheti B.V

The Company has interest in 500 (2016 : 500) common shares representing 40% of the paid up equity shares of Koromkheti B.V., a joint venture established in Netherlands. Investment amounts to US\$623 (2016 : US\$623). Although the Company holds less than 50% of the equity shares in Koromkheti B.V, the Company has joint control over the financial and operating policies of the entity by virtue of the provisions of the joint venture agreement entered into with the counterparty joint venturers.

The Company has entered into a shareholder agreement with joint venturers to the joint venture, which allows one of the joint venturers ("Put Holder") to exercise a put option to sell its shares in the joint venture to the remaining two joint venturers, upon occurrence of triggering events as defined in the shareholder agreement. The joint venturer which causes the triggering event is obligated to purchase, while the other joint venturer has the right to purchase, from the Put Holder such number of shares computed based on proportion of the remaining two joint venturers' shareholdings in the joint venture. The purchase price will be based on the fair value of the shares when the Put Holder exercises the put option. Accordingly, the fair value of the put option is Nil. As of March 31, 2017, there is no such triggering event and the put option is not exercised.

As at 31 March 2017, the Company has assessed the fair value of the investment. Based on the information available to the management, an impairment loss amounting to US\$623 (2016 : US\$Nil) was recognised in profit and loss.

PT Baramulti Suksesarana Tbk

The Company has interests in 680,290,000 (2016 : 680,290,000) common shares amounting to US\$99,058,015 (2016 : US\$99,058,015) representing 26% interests in PT Baramulti Suksesarana Tbk, a listed entity in Indonesia, which was purchased for a consideration of US\$99,058,015 from its fellow subsidiary in March 2016. The consideration remains unpaid and is disclosed as "Other payables" (Note 16). Although the Company holds less than 50% of the equity shares in PT Baramulti Suksesarana Tbk, the Company has joint control over the financial and operating policies of the entity by virtue of the provisions of the joint venture agreement entered into with the counterparty joint venturers.

Resurgent Power Ventures Pte. Ltd

The Company has interest in 14,736 (2016 : Nil) common shares representing 26% of the paid up equity shares of Resurgent Power Ventures Pte. Ltd, a joint venture established in Singapore in May 2016. Investment amounts to US\$1,470,729 (2016 : US\$Nil). Although the Company holds less than 50% of the equity shares in Resurgent Power Ventures Pte. Ltd, the Company has joint control over the financial and operating policies of the entity by virtue of the provisions of the joint venture agreement entered into with the counterparty joint venturers.

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

13. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Quoted equity investment - at fair value	2,266,249	2,266,249
Unquoted equity investments - at cost	<u>5,385,925</u>	<u>5,385,925</u>
	7,652,174	7,652,174
Less: Impairment on available-for-sale financial assets	<u>(7,404,967)</u>	<u>(7,067,163)</u>
	<u>247,207</u>	<u>585,011</u>

Quoted investment represents investment in equity shares of ReNu Energy Limited (formerly known as Geodynamics Ltd), listed in Australia.

The investment in quoted equity security offers the Company the opportunity for return through dividend income and fair value gains. It has no fixed maturity or coupon rate. The fair value of this security is based on the quoted closing market prices on the last market day of the financial year. During the year, an impairment loss of US\$337,804 (2016 : US\$183,581) on the investment in quoted equity shares was recorded in profit or loss.

Unquoted investments amounting to US\$Nil (2016 : US\$Nil) representing investment in equity shares of Exergen Pty Ltd, incorporated in Australia and US\$Nil (2016 : US\$Nil) representing investment in equity shares of Sunengy Pty Ltd, a company incorporated in Australia.

The investments in unquoted equity investments represent investments in entities that are engaged in research and development activities and/or the commercial application of this knowledge. The recoverability of these investments is uncertain and dependent on the outcome of these activities, which cannot presently be determined.

In prior years, in respect of the investment of Sunengy Pty Ltd, management had assessed the value of the investment based on the financial statements and other information available and recognised full impairment on the investment amounting to US\$636,475.

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

14. PLANT AND EQUIPMENT

	<u>Tools and equipment</u> US\$
Cost:	
As at April 1, 2015	-
Additions	734
As at March 31, 2016	<u>734</u>
Additions	18,533
As at March 31, 2017	<u><u>19,267</u></u>
Accumulated depreciation:	
As at April 1, 2015	-
Depreciation for the year	(172)
As at March 31, 2016	<u>(172)</u>
Depreciation for the year	(921)
As at March 31, 2017	<u><u>(1,093)</u></u>
Carrying amount:	
As at March 31, 2017	<u><u>18,174</u></u>
As at March 31, 2016	<u>562</u>

15. TRADE PAYABLES

	<u>Note</u>	<u>2017</u> US\$	<u>2016</u> US\$
Holding company	5	4,913,790	631,742
Fellow subsidiary	5	17,427,993	19,141,839
Joint venture	6	910,000	158,800
Outside party		<u>2,437,317</u>	<u>65,528</u>
		<u><u>25,689,100</u></u>	<u><u>19,997,909</u></u>

The carrying amounts of trade payables approximate their fair values. The average credit period of trade payable is 30 days (2016 : 30 days). No interest is charged on trade payables.

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

16. OTHER PAYABLES

	Note	2017 US\$	2016 US\$
Holding company	5	63,783	122,136
Fellow subsidiaries	5	99,120,167	130,336,702
Loan from fellow subsidiary	5	6,573,683	6,443,271
Deferred revenue		2,231,063	-
Accrued expenses		507,582	1,237,834
		<u>108,496,278</u>	<u>138,139,943</u>

The Company's other payables are non-trade in nature, unsecured, interest-free and are repayable within the next twelve months. US\$99,058,015 (2016 : US\$129,008,528) is owed to fellow subsidiaries for the purchase of the joint venture and available-for-sale financial assets as at March 31, 2017. The holding company has provided a guarantee on the unpaid amount of US\$Nil (2016 : US\$29,950,513) for the transfer of available-for-sale financial assets and investment in joint venture.

In 2014, the Company entered into a loan agreement with a related company for a loan not exceeding US\$7,000,000 for the Company's investment purposes. As of March 31, 2017, US\$6,200,000 (2016 : US\$6,200,000) has been drawn down. The loan balance of US\$6,573,683 (2016 : US\$6,443,271) comprises loan principal US\$6,200,000 (2016 : US\$6,200,000) and accrued interest of US\$373,683 (2016 : US\$243,271). The loan bears interest at a floating rate of LIBOR plus 1.50% per annum and is unsecured and repayable on demand.

17. DERIVATIVE FINANCIAL INSTRUMENTS

	2017 US\$	2016 US\$
<u>Non-hedging instruments</u>		
Forward foreign exchange contracts - Fair value	-	<u>2,881</u>

The Company utilises forward contracts to manage its exposure to foreign exchange rate movement on future transactions and cash flows. The total notional amount of these forward contracts is US\$Nil (2016 : US\$103,806) which will expire within 1 month from the end of the reporting period.

These derivative financial instruments are not designated and do not qualify for hedge accounting. Changes in fair value of derivative financial instruments have been charged to profit and loss during the year.

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

18. REDEEMABLE PREFERENCE SHARES

	Note	2017 US\$	2016 US\$
At the beginning of the year		44,137,887	41,035,054
Amortisation of interest		-	3,102,833
Redemption during the year	20	(44,137,887)	-
At the end of the year		<u>-</u>	<u>44,137,887</u>

As at March 31, 2017, the Company has issued redeemable non-cumulative preference shares ("RPS") amounting to US\$Nil (2016 : US\$64,859,930) to its ultimate holding company at coupon rate of 7.54% and for a tenor of 7 years. Coupon will be paid out only upon dividends declared by the board of directors, which no right to claim any of those forgone dividends in preceding year.

Prior to end of 7 years tenor, the Company has the option to redeem all or part of the outstanding RPS for an amount equal to the sum of the capital paid up for each RPS to be redeemed and any interest accrued at the time of the redemption, by giving the holder written notice. Accordingly, the RPS is classified as non-current liability and is recorded at amortised cost at date of inception.

In the event that there are any outstanding RPS at the end of the tenor, the Company shall automatically redeem any such outstanding RPS, by payment to the holder of such RPS, an amount equal to the sum of the capital paid for each RPS held by the holder.

Management has used the effective interest method to account for the amortised cost of the RPS with an applicable discount rate of 7.54%. The difference in the net present value of the RPS amount received and its carrying amount is recognised as deemed capital contribution from holding company, which is classified as "Capital reserve" (Note 20) upon inception.

The Company has assessed the fair value of the RPS issued in tranches on the dates of the issuance of the RPS, amortised interest costs amounting to US\$Nil (2016 : US\$3,102,833) have been recognised in profit or loss for the year ended March 31, 2017 as part of "Finance costs".

During the financial year, these redeemable preferences shares held by the ultimate holding company has been fully converted into ordinary shares at US\$1.39 per ordinary share.

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

19. SHARE CAPITAL

	2017	2016	2017	2016
	Number of ordinary shares		US\$	US\$
<u>Issued and fully paid:</u>				
At the beginning of year	17,950,000	17,950,000	17,950,000	17,950,000
Redeemable preference shares converted to ordinary shares, including transaction costs	46,690,650	-	64,900,000	-
Issued during the financial year	3,090,000	-	3,090,000	-
At the end of year	<u>67,730,650</u>	<u>17,950,000</u>	<u>85,940,000</u>	<u>17,950,000</u>

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

20. CAPITAL RESERVE

	2017	2016
	US\$	US\$
Pre-incorporation costs contributed from holding company	95,319	95,319
Deemed capital contribution (Note 18)	5,152,687	25,874,731
	<u>5,248,006</u>	<u>25,970,050</u>

21. OTHER INCOME

	2017	2016
	US\$	US\$
Interest income	89,758	95,569
Dividend income (Note 6)	9,099,998	1,300,000
Others	496	6,824
	<u>9,190,252</u>	<u>1,402,393</u>

22. OPERATING EXPENSES

	2017	2016
	US\$	US\$
Professional fees	371,124	506,711
Administrative expenses	204,628	276,441
Others	882,120	843,870
	<u>1,457,872</u>	<u>1,627,022</u>

TATA POWER INTERNATIONAL PTE. LIMITED

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

23. FINANCE COSTS

	Note	2017 US\$	2016 US\$
Interest on borrowings	5	130,412	110,740
Amortised interest expenses on RPS	18	-	3,102,833
Financial guarantee expenses		354,342	620,255
Other finance charges		11,019	9,206
		<u>495,773</u>	<u>3,843,034</u>

The Company has the following borrowing facility arrangements:

- a) A short term loan facility with Standard Chartered Bank of up to US\$10 million (2016 : US\$10 million) to assist working capital requirements. The facility is granted on an uncommitted basis and is secured by a corporate guarantee issued by the holding company (Note 5).
- b) A short term loan facility with Australia and New Zealand Banking Group Ltd of up to US\$Nil (2016 : US\$7 million) to assist working capital requirements. The facility is granted on an uncommitted basis and is secured by a corporate guarantee issued by the holding company (Note 5).

24. PROFIT (LOSS) BEFORE INCOME TAX

Profit (Loss) before income tax is arrived after charging:

	2017 US\$	2016 US\$
Staff defined contribution plan	9,043	6,552
Other staff cost	984,908	1,176,527
Foreign exchange (gain)/loss	(100,093)	22,376
Impairment loss on available-for-sale financial assets (Note 13)	337,804	820,056
Impairment loss on investment held for sale (Note 11)	1,292,227	15,182,876
Impairment loss on investment in joint venture (Note 12)	1,520,775	10,590,040
Impairment loss on other financial asset (Note 10)	4,340,256	-
Impairment loss on committed future cash call (Note 11)	-	800,000
Impairment loss on investments	<u>7,491,062</u>	<u>27,392,972</u>

TATA POWER INTERNATIONAL PTE. LIMITED**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017****25. INCOME TAX EXPENSE**

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Current tax	645,591	384,978
Withholding tax	939,657	1,782,395
	<u>1,585,248</u>	<u>2,167,373</u>

Domestic income tax is calculated at 17% (2016 : 17%) of the estimated assessable profit for the year.

Taxation for other jurisdiction is calculated at the rate prevailing in the relevant jurisdiction. The total charge for the year can be reconciled to the accounting profit as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Profit (Loss) before income tax	<u>6,193,526</u>	<u>(25,789,027)</u>
Tax expense at the statutory rate	1,052,899	(4,384,135)
Effect of different tax rate in other jurisdiction	261,497	108,067
Effect of items that are tax exempt	(2,335,611)	(923,995)
Effect of non-deductible items	1,610,915	5,555,594
Others	55,891	29,446
Withholding tax	939,657	1,782,395
	<u>1,585,248</u>	<u>2,167,373</u>

As at March 31, 2017, the Company has foreign sourced income of US\$662,676 (2016 : US\$788,527) that has not been remitted to Singapore. Accordingly, this income has not been subject to income tax. As the Company does not have any intention to remit this income to Singapore in the foreseeable future, no deferred tax liability has been recognised.

26. COMMITMENT

The Company had entered into a contract with fellow subsidiary to acquire multiple investments at a total consideration of US\$30.7 million. In 2015, the Company completed acquisition of available-for-sale financial assets of US\$7.6 million and a joint venture of US\$22.3 million. The remaining commitment of US\$0.8 million is expected to be invested by March 31, 2018.

TATA POWER INTERNATIONAL PTE. LIMITED
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2017

	As at March, 2017	Exchange Rate	Amount ₹	As at March, 2016	Exchange Rate	Amount ₹
	USD			USD		
ASSETS						
Current assets						
Cash and cash equivalents	43,88,645	64.85	2846,03,628	35,22,587	66.25	2333,62,582
Trade receivables	264,74,379	64.85	17168,63,478	165,10,133	66.25	10937,55,036
Other receivables and prepayments	19,29,503	64.85	1251,28,270	29,279	66.25	19,39,661
Other financial asset at fair value through profit or loss	-	64.85	-	40,93,778	66.25	2712,02,558
	<u>327,92,527</u>	64.85	<u>21265,95,376</u>	<u>241,55,777</u>	66.25	<u>16002,59,837</u>
Investment held for Sale	-	64.85	-	296,25,000	66.25	19625,82,188
Total current assets	<u>327,92,527</u>	64.85	<u>21265,95,376</u>	<u>537,80,777</u>	66.25	<u>35628,42,025</u>
Non-current assets						
Advances towards investments	33,18,801	64.85	2152,24,245	16,21,398	66.25	1074,13,564
Investment in joint venture	1729,77,709	64.85	112176,04,429	1696,13,745	66.25	112364,86,572
Availalable for sale financial assets	2,47,207	64.85	160,31,374	5,85,011	66.25	387,55,516
Property Plant & Equipment	18,174	64.85	11,78,584	562	66.25	37,231
Total non-current assets	<u>1765,61,891</u>	64.85	<u>114500,38,632</u>	<u>1718,20,716</u>	66.25	<u>113826,92,883</u>
TOTAL ASSETS	<u>2093,54,418</u>	64.85	<u>135766,34,008</u>	<u>2256,01,493</u>	66.25	<u>149455,34,908</u>
LIABILITIES AND EQUITY						
Current liabilities						
Trade payables	256,89,100	64.85	16659,38,135	199,97,909	66.25	13248,11,476
Other payables	1084,96,278	64.85	70359,83,628	1381,39,943	66.25	91514,25,874
Derivative Financial Instrument	-	64.85	-	2,881	66.25	1,90,859
Income tax payable	2,98,000	64.85	193,25,300	3,28,067	66.25	217,33,619
Total current liabilities	<u>1344,83,378</u>	64.85	<u>87212,47,063</u>	<u>1584,68,800</u>	66.25	<u>104981,61,828</u>
Non-current liabilities						
Redeemable preference shares	-	64.85	-	441,37,887	66.25	29240,24,669
Capital and accemulated losses						
Share capital	859,40,000	65.61	56381,92,654	179,50,000	59.99	10767,70,750
Capital reserve	52,48,006	36.73	1927,72,434	259,70,050	60.96	15830,06,077
Accumulated losses	(163,16,966)	66.78	(10896,93,341)	(209,25,244)	66.85	(13988,60,870)
Exchange fluctuation reserve	-		1141,15,198	-		2624,32,454
Net equity	<u>748,71,040</u>	64.85	<u>48553,86,945</u>	<u>229,94,806</u>	66.25	<u>15233,48,411</u>
TOTAL LIABILITIES AND EQUITY	<u>2093,54,418</u>	64.85	<u>135766,34,008</u>	<u>2256,01,493</u>	66.25	<u>149455,34,908</u>

TATA POWER INTERNATIONAL PTE. LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2017

	Period ended March, 2017	Exchange Rate	Amount ₹	Year ended March, 2016	Exchange Rate	Amount ₹
	USD			USD		
Service fees income from consultancy services rendered	482,64,516	67.09	32380,47,073	314,21,563	65.46	20568,90,078
Service fee expense	(409,21,756)	67.09	(27454,24,241)	(245,44,328)	65.46	(16066,98,710)
Other income	91,90,252	67.09	6165,70,331	14,02,393	65.46	918,02,188
Exxchange Loss	1,00,093	67.09	67,15,199	(22,376)	65.46	(14,64,758)
Staff and related costs	(9,93,951)	67.09	(666,83,775)	(11,83,079)	65.46	(774,45,653)
Operating expense	(14,57,872)	67.09	(978,08,049)	(16,27,022)	65.46	(1065,06,650)
Impairment loss on available-for-sale financial assets	(74,91,062)	67.09	(5025,72,353)	(273,92,972)	65.46	(17931,74,079)
Depreciation	(921)	67.09	(61,790)	(172)	65.46	(11,259)
Finance costs	(4,95,773)	67.09	(332,61,212)	(38,43,034)	65.46	(2515,69,233)
Profit (Loss) before income tax	61,93,526	67.09	4155,21,183	(257,89,027)	65.46	(16881,78,076)
Income tax expense	(15,85,248)	67.09	(1063,53,654)	(21,67,373)	65.46	(1418,78,621)
Total Profit (Loss) for the year, representing total comprehensive income (loss) for the year	46,08,278	67.09	3091,67,529	(279,56,400)	65.46	(18300,56,697)

TATA POWER INTERNATIONAL PTE. LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2017

	Share capital	Exchange Rate	Amount	Capital reserve	Exchange Rate	Amount	Accumulated loss	Exchange Rate	Amount	Total	Exchange Rate	Amount
	USD		₹	USD		₹	USD		₹	USD		₹
Balance as at April 1, 2015	179,50,000	59.99	10767,70,750	259,70,050	60.96	15830,06,077	70,31,156	61.33	4311,95,827	509,51,206	60.67	30909,72,654
Loss for the year, representing total comprehensive loss for the financial year							(279,56,400)	65.46	(18300,56,697)	(279,56,400)	65.46	(18300,56,697)
Balance at March 31, 2016	179,50,000	59.99	10767,70,750	259,70,050	60.96	15830,06,077	(209,25,244)	66.85	(13988,60,870)	229,94,806	54.83	12609,15,957
Issue of Share Capital	679,90,000	67.09	45614,21,904									
Profit for the year, representing total comprehensive income for the financial year							46,08,278	67.09	3091,67,529	46,08,278	67.09	3091,67,529
Reversal of Deemed capital contribution from holding company				(207,22,044)	67.09	(13902,33,643)				(207,22,044)	67.09	(13902,33,643)
Balance at March 31, 2017	859,40,000	65.61	56381,92,654	52,48,006	36.73	1927,72,434	(163,16,966)	66.78	(10896,93,341)	748,71,040	63.33	47412,71,747

TATA POWER INTERNATIONAL PTE. LIMITED
STATEMENT CASH FLOWS
YEAR ENDED MARCH 31, 2017

	Period ended	Exchange	Amount	Year ended	Exchange	Amount
	March, 2017	Rate	₹	March, 2016	Rate	₹
	USD			USD		
Operating activities						
Profit (Loss) before income tax	61,93,526	67.09	4155,21,183	(257,89,027)	65.46	(16881,78,076)
<i>Adjustment for :</i>						
Interest expenses	4,84,754	67.09	325,21,952	38,33,828	65.46	2509,66,598
Interest income	(89,758)	67.09	(60,21,828)	(95,569)	65.46	(62,56,052)
Depreciation Expenses	921	67.09	61,790	172	65.46	11,259
Dividend Income	(90,99,998)	67.09	(6105,15,227)	(13,00,000)	65.46	(850,99,430)
Impairment loss on investments	74,91,062	67.09	5025,72,354	265,92,972	65.46	17408,05,200
Cash flows before changes in working capital	49,80,507	67.09	3341,40,224	32,42,376	65.46	2122,49,499
Trade receivables	(21,64,248)	67.09	(1451,98,533)	(66,91,793)	65.46	(4380,52,131)
Trade payables	56,88,310	67.09	3816,26,444	118,20,551	65.46	7737,86,271
Other Receivables	(20,64,224)	67.09	(1384,87,963)	(29,279)	65.46	(19,16,636)
Other payables	(307,13,785)	67.09	(20605,75,555)	(8,37,750)	65.46	(548,40,037)
Cash (used in) generated from operations	(242,73,440)	67.09	(16284,95,383)	75,04,105	65.46	4912,26,966
Interest received	7,280	67.09	4,88,412	14,235	65.46	9,31,839
Interest paid	(3,77,338)	67.09	(253,15,456)	(5,18,816)	65.46	(339,62,266)
Income tax paid	(6,75,658)	67.09	(453,29,625)	(56,911)	65.46	(37,25,457)
Net cash (used in) from operating activities	(253,19,156)	67.09	(16986,52,052)	69,42,613	65.46	4544,71,082
Investing activities						
Prepaid expenses for Investments	(13,93,637)	67.09	(934,98,549)	(4,02,143)	65.46	(263,24,723)
Investment in joint venture	(60,34,739)	67.09	(4048,68,227)	(49,85,735)	65.46	(3263,71,698)
Proceeds from disposal of joint venture	292,02,053	67.09	19591,54,060	-	65.46	-
Dividend received	13,00,000	67.09	872,16,480	-	65.46	-
Purchase of Property, plant & Equipment	(18,533)	67.09	(12,43,372)	(734)	65.46	(48,048)
Net cash from (used in) investing activities	230,55,144	67.09	15467,60,392	(53,88,612)	65.46	(3527,44,469)
Financing activities						
Proceeds from issue of share, representing net cash from financing activity	31,30,070	67.09	2099,95,145	-	65.46	-
Net increase in cash and cash equivalents	8,66,058	67.09	581,03,485	15,54,001	65.46	1017,26,613
Cash and cash equivalents at the beginning of financial year	35,22,587	66.25	2333,62,582	19,68,586	62.50	1230,31,704
Effect of exchange fluctuation on cash and cash equivalents			(68,62,439)			86,04,265
Cash and cash equivalents at the end of the financial year	43,88,645	64.85	2846,03,628	35,22,587	66.25	2333,62,582