BHIRA INVESTMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

CONTENTS

		Date of appointment	Date of Resignation
DIRECTORS :	Fareed Soreefan	6 January 2012	
	Zakir Niamut	16 September 2010	
	Resmah Mandary	18 May 2015	
	Ramesh Subramanyam	25 June 2014	
	Anand Agarwal	25 April 2016	
	Nandakumar Tirumalai (Permanent alternate to Mr Ramesh Subramanyam)	28 October 2016	31 May 2018

REGISTERED OFFICE : IFS Court
Bank Street
Twenty Eight Cybercity
Ebène 72201
Mauritius

SECRETARY, ADMINISTRATOR AND MAURITIAN TAX AGENT: SANNE MAURITIUS
IFS Court
Bank Street
Twenty Eight Cybercity
Ebène 72201
Mauritius

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

Bank of Baroda
Baroda House
32 City Road
London, UK, EC1Y 2BD
United Kingdom

State Bank of India
15 King Street
London, EC2VC 8EA3
United Kingdom

Bank of America N.A
55F, Cheung Kong Centre
2 Queens Road Central, Central
Hong Kong

AUDITOR : Ernst & Young Mauritius
9th Floor, NeXTeracom Tower I
Cybercity Ebene
Mauritius

The directors present the financial statements of Bhira Investments Limited (the "Company") for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding and ancillary services of collecting accounts receivable of its related parties, provision of loans to related parties and provision of management support services to related parties.

RESULTS

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

The Company had not declared and paid any dividend during the period under review (31 December 2016: Nil).

DIRECTORS

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

AUDITOR

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

We certify that, to the best of our knowledge and belief, we have filed with the Registrar of Companies all such returns as are required of Bhira Investments Limited under the Mauritius Companies Act 2001 for the year ended 31 March 2018.

for **SANNE Mauritius**
Secretary

Registered Office:
IFS Court
Bank Street
TwentyEight Cybercity
Ebène 72201
Mauritius

Date: 6 July 2018

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHIRA INVESTMENTS LTD

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Bhira Investments Ltd (the "Company") set out on pages 8 to 38 which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, except for the effect on the financial statements of the matter referred to in the basis of qualified opinion paragraph, the financial statements on pages 8 to 38 give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and cash flows for the year then ended and have been prepared in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Qualified Opinion

As described in Note 25 of the financial statements, the Company accounts for the investments in joint ventures amounting to USD 567,456,007 (March 31, 2017 - USD 316,456,007) and investment held for sale amounting to USD 100,089,097 (March 31, 2017 - USD 100,089,097) at cost as at balance sheet date. Under IFRS 11, the Company should have recognized its investment in a joint venture using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. Had the interest in the jointly controlled entity been recognized using the equity method, investments, assets held for sale, retained earnings and profit for the year in the accompanying financial statements would have been materially affected. Accordingly, profit before tax for year ended March 31, 2018 would have been higher by USD 13,398,407 (March 31, 2017 - USD 45,499,741), retained earnings would have been higher by USD 109,230,700 (March 31, 2017 - USD 95,832,293), investments in joint venture would have been higher by USD 41,552,645 (March 31, 2017 - USD 28,154,239), and investments held for sale would be higher by USD 67,678,055, (March 31, 2017 - USD 67,678,055) as at balance sheet date. Profit before tax also includes exceptional items which would be higher by USD 44,700,873 (March 31, 2017 - Nil).

The Company has also not complied with the disclosure requirements of IFRS 12 Disclosure of Interests in Other Entities relating to interests in joint arrangements.

The above matters are continuing matters from previous period on which the predecessor auditor had expressed an adverse opinion vide its report dated April 25, 2017.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Commentary and the Certificate from the Secretary as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHIRA INVESTMENTS LTD (CONTINUED)

Report on the Audit of the Financial Statements

Other Information (Continued)

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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHIRA INVESTMENTS LTD (CONTINUED)

Report on the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of the director'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.

- 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.

Use of our report

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ERNST & YOUNG
Ebène, Mauritius

DARYL CSIZMADIA, C.A. (S.A)
Licensed by FRC

Date: 06 JUL 2018

	Notes	2018 USD Audited	2017 USD Audited
REVENUE			
Management fee income	15	11,120,000	20,940,000
Dividend income		134,666,666	46,933,333
		145,786,666	67,873,333
OPERATING EXPENSES			
Other operating expenses	19	1,546,425	2,894,936
		1,546,425	2,894,936
OPERATING PROFIT		144,240,241	64,978,397
Finance income	17	1,694,769	3,708,727
Finance cost	18	26,160,002	27,294,646
PROFIT BEFORE TAX AND EXCEPTIONAL ITEM		119,775,008	41,392,478
Exceptional item	16	251,000,000	-
PROFIT BEFORE TAX		370,775,008	41,392,478
Income Tax expense	20	13,466,666	4,693,333
PROFIT FOR THE YEAR		357,308,342	36,699,145
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
TOTAL COMPREHENSIVE INCOME NET OF TAX		357,308,342	36,699,145
Earnings per share			
Basic		357.31	36.70
Diluted		-	-

	Notes	2018 USD Audited	2017 USD Audited
ASSETS			
Non-current asset			
Investment in Joint Ventures	5a	567,456,007	316,456,007
Other Investment	5b	101	-
		567,456,108	316,456,007
Current assets			
Trade and other receivables	8	14,059,525	74,476,387
Cash and Short term deposits	9	82,596,785	15,354,908
Other current financial assets	7	295,704,162	292,524,159
Prepayments		4,550	4,550
		392,365,022	382,360,004
Assets classified as held for sale	6	100,089,097	100,089,097
Total assets		**1,059,910,227**	**798,905,108**
EQUITY AND LIABILITIES			
Equity			
Issued Capital	10	1,000,000	1,000,000
Retained Earnings / (Accumulated losses)		105,506,913	(251,801,429)
Total Equity		106,506,913	(250,801,429)
Non current liabilities			
Non current financial liabilities	11	273,309,418	340,000,000
Interest bearing loans and borrowings	12	315,751,651	420,716,088
		589,061,069	760,716,088
Current liabilities			
Other payables	13	77,476,698	70,172,836
Other current financial liabilities	14	275,517,840	216,254,312
Advance from sale of investment in joint venture		11,347,707	2,563,301
		364,342,245	288,990,449
Total equity and liabilities		1,059,910,227	798,905,108

Approved by the Board of Directors and authorised for issue on 6 July 2018.

Director

Director

The notes on pages 12 to 38 form an integral part of these financial statements.
The independent audit report is on pages 5-7.

	Stated capital USD	Retained Earnings / (Accumulated losses) USD	Total USD
At 1 April 2016	1,000,000	(288,500,574)	(287,500,574)
Profit for the year	-	36,699,145	36,699,145
Other comprehensive income for the year	-	-	-
At 31 March 2017	1,000,000	(251,801,429)	(250,801,429)
At April 2017	1,000,000	(251,801,429)	(250,801,429)
Profit for the year	-	357,308,342	357,308,342
Other comprehensive income for the year	-	-	-
At 31 March 2018	1,000,000	105,506,913	106,506,913

BHIRA INVESTMENTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	2018 USD	2017 USD
Cash flows from operating activities		
Profit before tax	370,775,008	41,392,478
Adjustments for:		
Bank interest income	(533,411)	(162,937)
Interest income on loan	(1,161,358)	(831,197)
Interest expenses on loan from related parties	12,759,549	13,172,649
Reversal of Impairment	(251,000,000)	-
Interest expenses on loan from banks	17,498,354	12,558,115
Marked to market gain on derivatives	(5,158,669)	(2,485,341)
Provision for doubtful debts	-	784,494
	143,179,473	64,428,261
Movement in working capital:		
Decrease in other receivables	(3,537,225)	(21,441,420)
Increase in other payables	20,095,254	9,692,570
	16,558,029	(11,748,850)
Dividend income netted off against loan	(121,200,000)	(42,240,000)
Cash generated from operating activities	38,537,502	10,439,411
Withholding tax paid	(13,466,666)	(4,693,333)
Net cash generated from operating activities	**25,070,836**	**5,746,078**
Cash flows from investing activities		
Bank interest received	485,599	150,071
Advance from sale of investment in joint venture	8,784,406	2,563,301
Purchase of Investment	(101)	-
Net cash generated from investing activities	9,269,904	2,713,372
Cash flows from financing activities		
Interest paid on loan from bank	(12,369,987)	(12,773,190)
Interest paid on loan from related party	(807,196)	-
Loan received from related party	181,078,320	56,640,000
Loan to related party	(25,000,000)	(18,000,000)
Loan repaid to bank	(110,000,000)	(35,000,000)
Loan repaid by related party	-	8,683,074
Interest received on loan	-	1,952,234
Loan management fee income received	-	442,700
Net cash generated from financing activities	32,901,137	1,944,818
Net increase in cash and cash equivalents	67,241,877	10,404,268
Cash and cash equivalents at beginning of the year	15,354,908	4,950,640
Cash and cash equivalents at end of year	82,596,785	15,354,908

1. BACKGROUND INFORMATION

The Company was incorporated in Mauritius under the Mauritius Companies Act 2001 on 27 April 2007 as a domestic and private company with limited liability by shares and changed its legal regime to a Category 1 Global Business Company on 22 June 2007. It holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company has its registered office at IFS Court, Bank Street, TwentyEight Cybercity, Ebene 72201, Mauritius.

The principal activity of the Company is that of investment holding and ancillary services of collecting accounts receivable of its related parties, provision of loan to related parties and management support services to related parties.

2. SIGNIFICANT ACCOUNTING POLICIES

Except for non-compliance with International Financial Reporting Standards ("IFRS") 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, the financial statements have been prepared in accordance with IFRS. The preparation of the financial statements in accordance with and in compliance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the important accounting policies, which have been applied consistently, is set out below.

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).
The financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The financial statements are presented in USD.

(b) Investments in joint ventures

A joint venture is a type of joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the joint venture. 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.

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

(c) Non current assets held for sale

Non-current assets and disposal groups 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 non-current asset (or disposal group) 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.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

(d) Current v/s non current classification

The Company presents assets and liabilities in the statement of financial position based on current /non-current classification. An asset is current when it is:
• Expected to be realised or intended to be sold or consumed in the normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period Or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.
A liability is current when:
• It is expected to be settled in the normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period Or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) **Fair value measurement**

The Company measures financial instruments such as derivatives and non financial assets such as investment properties, at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability Or
• In the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing
categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(f) **Foreign currency translation**

Functional and presentation currency

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date
Differences arising on settlement or translation of monetary items are recognised in profit or loss
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined
The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i e , translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Non-current assets held for sale and discontinued operations

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

(h) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Mauritian laws, a distribution is authorised when it is approved by the shareholders and the Company satisfies the solvency test prior and post the distribution. A corresponding amount is recognised directly in equity.

(i) Cash and short term deposits

Cash and short -term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

(j) Financial instruments

(i) Financial Assets

- Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The Group has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Loans and receivables

This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Effective interest method

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. 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 investment have been impacted.

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; or
• disappearance of an active market for that financial asset because of financial liabilities

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently 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, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

(I) Financial Assets (continued)
Impairment of financial assets (continued)

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 receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered 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 available for sale financial assets is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the year.

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

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

(ii) Financial liabilities

(a) Classification as debt or equity

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

(b) Equity instruments

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

(c) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

(ii) Financial liabilities (continued)

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Derivative financial instruments

The Company uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under IAS 39 are recognised in the statement of profit or loss as cost of sales.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

(d) Other financial liabilities

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

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

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

(e) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(k) Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Services fee income, management fee income and other income are recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. They are also accounted on an accrual basis in the financial statements.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Expense recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on accrual basis.

(m) Taxation

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Impairment of assets

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

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

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

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

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

(o) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

In the current period, the Company has applied all of the new and revised Standards and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are effective for accounting periods beginning on 1 January 2017.

3.1 *Standards and Interpretations adopted with no effect on the financial statements*

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

IAS 7 Statement of cash flows – Disclosure initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The company has provided the information in note 11 and 12.

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference related to unrealised losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. This amendment does not have any impact on the financial statements of the Company as it does not have any deductible temporary differences or assets that are in the scope of amendments.

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

3.2 *New and Revised Standards and Interpretations,in issue but not yet effective*

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

IAS 39	Financial Instruments: Recognition and Measurement -Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective annual period beginning 1st January 2018)
IFRS 7	Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)
IFRS 7	Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective annual period beginning 1 January 2018)
IFRS 9	Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective annual period beginning 1 January 2018)
IFRS 15	Revenue from Contracts with Customers - Amendments which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers (effective annual period beginning 1 January 2018)
IFRS 15	Revenue from Contracts with Customers - Clarifications to IFRS 15 (effective annual period beginning 1 January 2018)

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

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Significant accounting judgments in applying the Company's accounting policies

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

Determination of functional currency

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

Impairment of investments in joint ventures

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

As at 31 March 2018, the directors believe that the impairment of the investment of the Company held in PT Kaltim Prima Coal amounting to USD251,000,000 should be reversed and the carrying values approximate the fair values of the other investments after recognising impairment loss in the financial statements

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Fair value of investment held for sale

The Company also holds financial instruments that are not quoted on active markets. At a meeting of the board of directors of the Company held on 26 November 2013, it was resolved to dispose some investments at a gross consideration of USD390 million. At another meeting of the board of directors of the Company held on 20 October 2016, it was resolved to revise the consideration from USD390 million to USD246.64 million. Out of the USD 246.64 mn, USD 200.06 mn will be allocated to the Company and USD 46.58 mn to Bhivpuri Investments Limited. The Purchase consideration would be received essentially at an agreed rate per ton of coal mined by CLS till 2020. At 31 March 2018, the investments held for disposal have been reported at the lower of the carrying amount and fair value less cost to sell.

Fair value of derivative financial assets

The Company had entered into derivative financial instruments to manage its exposure to interest rate including interest rate caps and swaps. The interest rate caps and swaps have been designated as financial assets at fair value through profit or loss. The fair valuation is the marked to market value as at the reporting date. The fair value of the derivative is worked out by the respective banks. Sumitomo Mitsui Banking Corporation, Australia and New Zealand Banking Corporation and DBS Bank Limited used Proprietary model as their valuation methodology.

Fair value of derivative financial liabilities

The Company had entered into a variety of derivative financial instruments to manage its exposure to interest rate including interest rate caps and swaps. The interest rate caps and swaps have been designated as financial liabilities at fair value through profit or loss. The fair valuation is the marked to market value as at the reporting date. The fair value of the derivative is worked out by the respective banks. Sumitomo Mitsui Banking Corporation, Australia and New Zealand Banking Corporation and DBS Bank Limited used Proprietary model as their valuation methodology.

5. (a) INVESTMENT IN JOINT VENTURES

	2018	2017
	USD	USD
At cost less impairment		
At 1 April 2017	316,456,007	316,456,007
Reversal of impairment	251,000,000	-
At 31 March 2018	567,456,007	316,456,007

Details of investment in joint ventures are as follows:

	Place of incorporation	Number of shares	% Holding 2018 Direct	% Holding 2017 Indirect	2018 Cost USD	2018 Carrying Value USD	2017 Cost USD	2017 Carrying Value USD
PT Kaltim Prima Coal (net of impairment)	Indonesia	123,540	30%		618,194,940	567,403,246	618,194,940	316,403,246
PT Indocoal Kaltim Resources	Indonesia	82,080	30%	-	50,430	50,430	50,430	50,430
Candice Investments Pte Ltd	Singapore	3	30%		2	2	2	2
PT Dwikarya Prima Abadi	Indonesia	99	0.9%	30%	1,109	1,109	1,109	1,109
PT Maryel Capital Indonesia	Indonesia	1,089	0.89%	30%	1,220	1,220	1,220	1,220
					618,247,701	567,456,007	618,247,701	316,456,007

The Company is required to measure a non-current asset which has been classified as held for sale at lower of its carrying value and fair value less costs to sell With the consistent rise in coal prices in the recent past (which is expected to continue in the near future), there is, an indication that the impairment loss which was taken in December 2015 needs to be suitably represented in the books Accordingly, as at 31 March 2018, based on an independent valuation of PT Kaltim Prima Coal and related companies, the recoverable amount has been calculated and impairment loss taken earlier is being partially reversed for USD251,000,000

5. (a) INVESTMENT IN JOINT VENTURES (CONTINUED)

PT Kaltim Prima Coal ("KPC") and PT Indocoal Kaltim Resources ("Kaltim") are engaged in the coal mining sector.

The Company has a 30% shareholding stake in Candice Investments Pte Ltd ("Candice") and an indirect shareholding of 30% in each of its subsidiaries, PT Dwikarya Prima Abadi ("DPA") and PT Marvel Capital Indonesia ("MCI")

The Company had signed an optional sale agreement for the sale of its 5% stake in KPC As per the agreement, the consideration to be received for 5% stake of KPC is USD250 million. However, the Management is not expected to exercise the option based on the estimate of coal price in the near future.

5 (b) Other Investments

Name of company	Country of incorporation	2018 Cost USD	2017 Cost USD
Far Eastern Natural Resources LLC	Russia	101	-

The Board of the Company had approved the acquisition of 1% stake in Far Eastern Natural Resources LLC, an entity which will be involved in thermal coal mining in Russia.

6. ASSET CLASSIFIED AS HELD FOR SALE

Name of company	Country of incorporation	Number and type of shares	% Holding	2018 Cost USD	2017 Cost USD
PT Arutmin Indonesia	Indonesia	3,000 ordinary shares	30%	100,057,997	100,057,997
PT Indocoal Kalsel Resources	Indonesia	60,000 ordinary shares	30%	31,100	31,100
				100,089,097	100,089,097

PT Arutmin Indonesia ("Arutmin") and PT Indocoal Kalsel Resources ("Kalsel") are engaged in the coal mining sector On 26 November 2013, the Board of directors had approved the disposal of the Company's investment in PT Arutmin Indonesia and PT Indocoal Kalsel Resources

Subsequently, the Company together with its fellow subsidiary, Bhivpuri Investments Limited ("Bhivpuri") entered into a conditional agreement on 30 January 2014 with an unrelated third party named Long Haul Holdings Limited for the sale of PT Arutmin Indonesia ("Arutmin"), PT Indocoal Kalsel Resources ("Kalsel") and Indocoal Resources Cayman Limited ("Indocoal" for Arutmin Assets & Liabilities) Since the investments were expected to be disposed within the next 12 months, they were accordingly reclassified from non-current assets to asset held for sale from 31 March 2014. However, the sale was not completed since some conditions precedent needed to be fulfilled prior to the transfer of shares and receipt of the consideration, which include clearances from the lenders. The Company and Bhivpuri had been in constant negotiations with the counterparty and an alternative arrangement has been negotiated.

The Company together with its fellow subsidiary, Bhivpuri Investments Limited have now entered into a new agreement with PT Cakrawala Langit Sejahtera ("CLS"), (Long Haul Holdings Limited as per earlier arrangement) for a purchase consideration of USD 246.64 mn with effect from 29 November 2016. Out of the USD 246.64 mn, USD 200.06 mn will be allocated to the Company and USD 46.58 mn to Bhivpuri Investments Limited. The Purchase consideration would be received essentially at an agreed rate per ton of coal mined by CLS till 2020
One of the completion conditions (in both the previous and the revised Agreement) to the finalisation and operationalization of the deal is the restructuring of Indocoal, in Bhivpuri where it is expected that post the transfer of all Assets and Liabilities of PT Kaltim Prima Coal (KPC), Indocoal Cayman would represent only Assets & liabilities relating to Arutmin.

The titles of shares will be transferred upon execution of the amended & restated Arutmin Share Purchase Agreement ("Amendment Agreement") However, as a security to unrealized payments, the Shares will be pledged back in favour of the Company on and around the date of completion. The investment has not yet been disposed of as at 31 March 2018. Bhira has already received USD11,347,707 as at 31 March 2018 and USD2,563,301 as at 31 March 2017 as advance from the sale of the Arutmin assets as per the terms of the new agreement

In the event the business model of Indocoal is no longer viable, it was approved at a Board meeting of the Company held on 14 May 2013, that it would buy out Indocoal from Bhivpuri at a price equal to the cost of Indocoal in the books of Bhivpuri. The Board of Directors of Bhivpuri had also approved on 23 May 2013 to sell the investment held in Indocoal at a price equal to the cost of Indocoal in the books of Bhivpuri.

7. OTHER CURRENT FINANCIAL ASSETS

	2018	2017
	USD	USD
Financial Assets (Refer to note (a) below)	288,052,502	289,424,026
Derivative Financial Assets (Refer to note (b) below)	7,651,660	3,100,133
	295,704,162	292,524,159

(a) Financial Asset at amortised cost	2018	2017
	USD	USD
Loans (Refer details below)	281,051,712	283,632,405
Interest on loan to related parties	6,940,112	5,778,755
Interest receivable on short term deposits	60,678	12,866
	288,052,502	289,424,026

Loans:

		2018	2017
(i)	PT Mitratama Perkasa	82,496,633	82,496,633
(ii)	Bhivpuri Investments Limited	192,355,079	167,355,079
(iii)	Tata Power International Pte Ltd	6,200,000	6,200,000
(iv)	Khopoli Investments Limited	-	27,580,693
		281,051,712	283,632,405

(i) PT Mitratama Perkasa ("PTMP")

The total amount of the loan granted to PTMP as at 31 March 2018 amounts to USD 82,496,633. The date of repayment of the loan is dependent on the PTMP Debt Satisfaction date. The Board of directors has resolved at a meeting held on 20 October 2016 to cease accruing interest on the loan given to PTMP as from 31 August 2016. Pursuant to the Receivables Novation Deed dated 29 November 2016 entered between Rwood Resources Limited, PTMP and the Company, the loan receivable and accrued interest as at 31 August 2016 shall be novated to RWood Resources Limited whereby the latter wishes to assume the rights and obligations of Bhira in respect of the PTMP Debt.

(ii) Bhivpuri Investments Limited

The loan to Bhivpuri Investments Limited amounting to USD149,355,079 is interest free (a part got interest free with effect from 1 November 2012), unsecured and repayable as and when agreed by the parties whilst the loan amounting to USD43,000,000 (31 March 2017: USD18,000,000) bears interest at LIBOR + 2.5% per annum, unsecured and repayable as and when agreed by the parties.

(iii) Tata Power International Pte Ltd

The loan of USD6,200,000 disbursed in December 2013 bears an interest of LIBOR plus 1.50% per annum. The loan is unsecured and be repayable on demand.

(iv) Khopoli Investments Limited

The loan of USD27,580,693 to Khopoli Investments Limited has been netted off against payable to khopoli Investments Limited.

(b) Derivative not designated as hedging instrument

Derivative financial assets

The Company had purchased interest rate swaps for the long term loan of USD460 million to mitigate the risk of adverse fluctuation in LIBOR. Hence, if the LIBOR is higher, the Company receives the applicable LIBOR on the notional value and pays only the fixed rate agreed on the outstanding notional value.

The derivative financial instruments which had been designated as derivative financial assets at fair value through profit or loss have been classified as derivative financial liabilities pursuant to the marked to market value as at the reporting date. The following table gives information about how the fair values of the derivative financial instruments have been determined

8. TRADE AND OTHER RECEIVABLES

	2018	2017
	USD	USD
Management fee receivable	13,900,000	68,587,969
Amounts paid on behalf of related parties	159,525	5,888,418
Other receivables	784,494	784,494
Provision for doubtful debts	(784,494)	(784,494)
	14,059,525	74,476,387

The management fee is receivable from Tata Power International Pte Limited (TPIPL) (PY : Khopoli Investments Limited and Tata Power International Pte Limited). Management fee from TPIPL is receivable on a quarterly basis, subject to adjustments as agreed between the parties on a monthly basis. However, no services has been provided from August 2017 to March 2018.
The amounts paid at the request of related parties are unsecured, non-interest bearing and repayable on demand.

The Directors of the Company have made a provision to doubtful debts amounting to USD784,494 for the receivable from PT Bumi of USD13,569, interest receivable from Bumi of USD45,782 and the management fee receivable from PT Nusantara Indah of USD725,143 as they are of the opinion that the recovery of these amounts are doubtful.

As at 31 March 2018, the ageing analysis of trade receivables is, as follows:

	Total	< 30 days	31-60 days	61-90 days	91-120 days	>120 days
	USD	USD	USD	USD	USD	USD
31-Mar-18	13,900,000	-	-	-	-	13,900,000

9. CASH AND SHORT TERM DEPOSITS

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

	2018	2017
	USD	USD
Cash at bank	24,858	219,671
Short term bank deposits	82,571,927	15,135,237
	82,596,785	15,354,908

The interest rate on short term deposits ranges from 1.25% to 2.10% for the year under review. The term deposits are less than 3 months.

10. ISSUED CAPITAL

	2018	2017
	USD	USD
Ordinary Shares of USD 1 each	1,000,000	1,000,000
	1,000,000	1,000,000

1,000,000 fully paid ordinary shares carry one vote per share and carry the right to dividends have been issued. The Company does not have authorised share capital.

11. NON CURRENT FINANCIAL LIABILITIES

Long term loans

(a) Khopoli Investments Limited	2018	2017
	USD	USD
Opening balance	340,000,000	340,000,000
Netting off of loan balance	(66,690,582)	
Closing balance	273,309,418	340,000,000

The loan from related party is unsecured, repayable on 31 December 2023 or as mutually agreed and carries interest at the rate of LIBOR plus margin as agreed between the parties on the basis of 360 days a year. The rate of interest ranged from Libor + 0.95% to 1.31% per annum. The loan of USD340,000,000 was adjusted with the receivable balances with Khopoli Investments Limited existing with effect from 1 January 2018 as approved by the Board on 9 March 2018. The loan balance of USD273,309,418 bears interest at a rate of LIBOR + 1.31% with effect from 1 January 2018.

12. INTEREST BEARING LOANS AND BORROWINGS

Pursuant to a Facility Agreement dated 24 February 2016, the loan of USD460 million has been refinanced on 29 February 2016 with Bank of America N.A acting as agent and a consortium of banks comprising of Industrial and Commercial Bank of China (Asia) Limited, Bank of America N.A, DBS Bank Limited, Export Development Canada, Sumitomo Mitsui Banking Corporation, Australia and New Zealand Banking Group Limited and Axis Bank Limited Hong Kong Branch.

The refinanced USD460 million loan carries ~~interest at the rate of 1 month LIBOR~~ plus margin of 1.95% and is repayable on 26 February 2021.

Floating rate borrowing (315 Million)	2018	2017
	USD	USD
Opening balance	420,716,088	453,163,050
Amortisation of Loan	16,576,928	15,132,037
Interest Paid	(11,541,365)	(12,578,999)
Repayment	(110,000,000)	(35,000,000)
Closing balance	315,751,651	420,716,088

The holding company has agreed to guarantee the above loan for the sum of USD460,000,000, as reduced on each day on which any principal amount the loan is repaid or prepaid or increased at any time on which any principal amount of the loan so repaid or prepaid is reinstated, in each case, to an amount at all times equal to 105% of the principal amount of the loan then outstanding.

13. OTHER PAYABLES

	2018	2017
	USD	USD
Accruals	96,802	188,468
Interest on loan from related parties	46,484,462	59,376,307
Other payables to shareholders	324,823	472,236
Advance received from related party	30,267,580	9,933,249
Interest on loan from bank	100,455	-
Other payables to related party	202,576	202,576
	77,476,698	70,172,836

14. OTHER CURRENT FINANCIAL LIABILITIES

	2018	2017
	USD	USD
(i) Financial liabilities at fair value through profit or loss (Refer note below)	275,517,840	215,639,520
(ii) Derivative not designated as hedging instruments	-	614,792
	275,517,840	216,254,312

14. OTHER CURRENT FINANCIAL LIABILITIES (CONTINUED)

		2018	2017
(i) Short term loans		USD	USD
(a)	PT Kaltim Prima Coal	37,500,000	14,700,000
(b)	PT Arutmin Indonesia	48,924,761	48,924,761
(c)	PT Dwikarya Prima Abadi	33,214,759	33,214,759
(d)	PT Mitratama Perkasa	118,800,000	118,800,000
(e)	PT Nusa Tambang Pratama	37,078,320	-
		275,517,840	215,639,520

(a) PT Kaltim Prima Coal ("KPC")

The Company entered into an inter-company loan facility agreement dated 30 September 2011, with KPC having effective date 15 May 2011. Pursuant to the agreement, KPC has granted a loan facility of up to USD150,000,000 to the Company. The loan is unsecured, repayable on demand only out of dividends received by the Company from KPC and carries interest at the rate of 3 months LIBOR plus margin of 2% per annum. For the year ended 31 March 2018, the loan was netted off against dividend income of USD121,200,000 received by the Company from KPC (31 March 2017: USD42,240,000).

	2018	2017
	USD	USD
Opening balance	14,700,000	3,840,000
Loan received	144,000,000	53,100,000
Dividend income (net of withholding tax)	(121,200,000)	(42,240,000)
Closing balance	37,500,000	14,700,000

(b) PT Arutmin Indonesia ("Arutmin")

The Company entered into an inter-company loan facility agreement dated 14 September 2011 with Arutmin having effective date 29 October 2010. Pursuant to the agreement, Arutmin has granted a loan facility of up to USD150,000,000 to the Company. The loan is unsecured, repayable on demand or out of dividend received by the Company from Arutmin and carries interest at the rate of 3 months LIBOR plus margin of 2% per annum.

	2018	2017
	USD	USD
Closing balance	48,924,761	48,924,761

(c) PT Dwikarya Prima Abadi ("Dwikarya")

The Company entered into an inter-company loan facility agreement dated 24 March 2014 (the "Agreement") with Dwikarya having effective date 24 March 2014. Pursuant to the Agreement, Dwikarya has agreed to grant a loan facility of up to USD27,900,000 to the Company. The Agreement was amended on 19 December 2014, pursuant to which the loan facility amount was increased to USD40,285,714. The loan is unsecured, repayable on demand or out of dividend received by the Company from Dwikarya and carries interest at the rate of 1 month LIBOR plus margin of 2% per annum.

	2018	2017
	USD	USD
Opening balance	33,214,759	29,674,759
Loan received	-	3,540,000
Closing balance	33,214,759	33,214,759

14. OTHER CURRENT FINANCIAL LIABILITIES (CONTINUED)

(d) PT Mitratama Perkasa ("PTMP")

The Company has taken loans aggregating USD118.8 million from PTMP. The loans have been split into 2 categories, Loan A equal to USD83.8 million and Loan B amounting to USD35 million. Loan A carried interest at LIBOR plus 6.1% per annum whilst interest on Loan B is LIBOR plus 6.35% per annum. Interest on Loan A and Loan B is accrued only till 31 August 2016 as agreed at a Board meeting of the Company held on 20 October 2016. Pursuant to the Novation Deed dated 29 November 2016 entered between Rwood Resources Limited, PT Mitratama Perkasa and the Company, the loan payable shall be novated to RWood Resources Limited on the effective date, i.e the day after the PTMP Debt Satisfaction date whereby the latter wishes to assume the rights and obligations of Bhira in respect of the PTMP Debt.

(e) PT Nusa Tambang Pratama("NTP")

The Company entered into an inter-company loan facility agreement dated 2 April 2017 (the "Agreement") with NTP. Pursuant to the Agreement, Nusa has agreed to grant a loan facility of up to USD30,000,000 to the Company. The Agreement was subsequently amended , pursuant to which the loan facility amount was increased to USD45,000,000. The loan is unsecured, repayable on demand or out of dividend received by the Company from NTP and carries interest at the rate of 1 month LIBOR plus margin of 2% per annum.

	2018	2017
	USD	USD
Opening balance	-	-
Loan received	37,078,320	-
Closing balance	37,078,320	-

(ii) Derivative financial liabilities

The derivative financial instruments have been designated as derivative financial liabilities at fair value through profit or loss. The fair valuation is the marked to market value as at the reporting date. The following table gives information about how the fair values of the financial assets have been determined.

15. MANAGEMENT FEE INCOME

Pursuant to a Subcontracting Agreement dated 1 August 2012 (the "Subcontracting Agreement") entered with Khopoli Investments Limited ("Khopoli"), Khopoli has subcontracted the provision of management support services to the Company in return for a fee of USD1,400,000 per month. During the current year, the Company accrued a management fee income of USD11,120,000 for April - July 2017 (March 2017: USD20,940,000). At a Board meeting of the Company held on 25 January 2017, the Board had approved the termination of the Subcontracting Agreement with effect from 1 January 2017. The Company has entered into a Restated and Amended Services Agreement with Tata Power International Pte Limited ("TPIPL") and a Deed of Novation with Khopoli and TPIPL dated 21 February 2017 (the "Agreements"), whereby the management fee which were previously received by Khopoli from TPIPL was novated in favour of the Company with effect from 1 January 2017.

16. EXCEPTIONAL ITEM

	2018	2017
	USD	USD
Reversal of impairment (refer to Note 5 (a))	251,000,000	-
	251,000,000	-

17. FINANCE INCOME

	2018	2017
	USD	USD
Bank interest income	533,411	162,937
Interest income on loan from related parties	1,161,358	831,197
Loan amortisation income		2,714,593
	1,694,769	3,708,727

18. FINANCE COST

	2018	2017
	USD	USD
Interest on loan from related parties	[illegible]	13,132,449
Interest on loan from banks	[illegible]	15,272,708
Guarantee commission (Note a below)	[illegible]	[illegible]
Marked to market gain on derivatives	[illegible]	[illegible]
	[illegible]	27,294,646

18. FINANCE COST (CONTINUED)

Note (a) GUARANTEE COMMISSION

Guarantee commission represent arm's length fees payable to the holding company for acting as guarantor for the issue of subordinated notes contracted by the Company and loan availed by the Company from a consortium of banks (see Note 12). For the year ended 31 March 2018, the Company had incurred a guarantee commission of USD1,060,768 (31 March 2017: USD994,356).

19. OTHER OPERATING EXPENSES

	2018	2017
	USD	USD
Audit fees	17,385	28,268
Other expenses	14,347	13,400
Legal and professional fees	417,602	891,455
Donations (Note a below)	750,000	750,000
Service fee expenses (Note b below)	347,091	427,319
Provision for Doubtful Debts	-	784,494
	1,546,425	2,894,936

Note (a) DONATION

On 18 August 2012, the Company had approved the funding of the development of Massachusetts Institute of Technology ("MIT") Center for Technology and Design of up to USD4.5M over a period of six years. During the year ended 31 March 2018, the Company had made contributions of USD750,000 (31 March 2017: USD750,000) towards the development of MIT.

Note (b) SERVICE FEE EXPENSE

Pursuant to a Procurement Services Agreement dated 26 August 2011 entered into between the Company and its holding Company, The Tata Power Company Limited, the latter provides the Company expert services such as capital raising, mine acquisition, management of currency and interest rate markets. The Company pays service fee expense as agreed between parties from time to time. For the year ended 31 March 2018, the Company had incurred a service fee expense of USD347,091 (31 March 2017: USD427,319).

20. TAXATION

The Company is liable to income tax on its chargeable income at the rate of 15% (2017: 15%). As a holder of a Category 1 Global Business Licence, it is entitled to a credit in respect of foreign tax equivalent to the higher of actual foreign tax suffered or a deemed credit equivalent to 80% of the Mauritius income tax liability on foreign source income. The maximum effective tax rate is 3%.

The Company had a tax charge of USD13,466,666 (31 March 2017: USD4,693,333) during the year under review. The tax charge pertains to withholding tax suffered on dividend income received from PT Kaltim Prima Coal.

	2018	2017
	USD	USD
Profit before taxation	370,775,008	41,392,478
Tax at the applicable rate of 15%	55,616,251	6,208,872
Tax effect of:		
Taxable Income	-	317,239
Other allowable expenses	(1,605,612)	(1,795,020)
Non allowable expenses	3,160,321	2,331,362
Non Taxable income	(38,423,800)	
Withholding tax suffered	(13,466,666)	(4,693,333)
Foreign tax credit	(44,247,429)	4,663,853
Underlying tax credit	25,500,269	(11,720,306)
Tax Charge	(13,466,666)	(4,693,333)

21. RELATED PARTY TRANSACTIONS

For the year under review, the Company transacted with related parties. Details of the nature, volume of transactions and the balances with the related parties are as follows:

		Amount USD
(a) (i) The Tata Power Co Ltd (Holding Company)		
Guarantee commission	2018	1,060,768
	2017	1,334,630
Service fees	2018	347,091
	2017	427,319
Guarantee commission payable	2018	(233,014)
	2017	(340,274)
Service fees payable	2018	(91,809)
	2017	(131,962)
Guarantee received for loan	2018	315,000,000
	2017	425,000,000
(a) (ii) Khopoli Investments Limited ("Khopoli")(fellow subsidiary)		
- Loan payable	2018	(273,309,419)
	2017	(340,000,000)
- Loan receivable	2018	-
	2017	27,580,693
- Interest Payable	2018	(2,065,078)
	2017	(18,564,434)
- Management fees receivable	2018	-
	2017	60,247,968
- Amount paid on behlf of Khopoli	2018	71,984
	2017	50,713
- Other receivable	2018	-
	2017	5,874,119
- Interest Expense	2018	(8,344,842)
	2017	(7,407,342)
- Management fee income	2018	-
	2017	12,600,000

21. RELATED PARTY TRANSACTIONS

		Amount USD
(a) (iii) Tata Power International Pte Ltd (fellow subsidiary)		
- Interest receivable	2018	549,008
	2017	373,683
- Management fee income receivable	2018	13,900,000
	2017	8,340,000
- Loan receivable	2018	6,200,000
	2017	6,200,000
- Management fee income	2018	11,120,000
	2017	8,340,000
-Interest income	2018	175,325
	2017	130,412
(a) (iv) Bhivpuri Investments Limited ("Bhivpuri") (fellow subsidiary)		
- Loan receivable	2018	192,355,079
	2017	167,355,079
- Interest receivable	2018	4,927,854
	2017	3,941,821
- Expenses paid on behalf of Bhivpuri	2018	87,541
	2017	14,300
- Interest income	2018	986,033
	2017	144,183
- Loan given	2018	25,000,000
	2017	18,000,000

21. RELATED PARTY TRANSACTIONS

		Amount USD
(a) (v) PT Mitratama Perkasa ("PTMP") (Entity under common shareholding)		
- Loan receivable	2018	82,496,633
	2017	82,496,633
- Interest payable	2018	(32,570,671)
	2017	(32,570,671)
- Interest receivable	2018	1,463,250
	2017	1,463,250
- Payable	2018	(30,259,732)
	2017	(9,925,400)
- Loan payable	2018	(118,800,000)
	2017	(118,800,000)
- Amortization of loan income	2018	-
	2017	2,714,593
- Interest income	2018	-
	2017	556,601
- Interest expense	2018	-
	2017	(3,347,817)
(a) (vi) PT Dwikarya Prima Abadi (Joint Venture)		
- Interest payable	2018	(3,041,190)
	2017	(1,936,837)
- Loan payable	2018	(33,214,759)
	2017	(33,214,759)
- Interest expense	2018	(1,104,353)
	2017	(816,753)
- Loan taken	2018	-
	2017	(3,540,000)

21. RELATED PARTY TRANSACTIONS

		Amount USD
(a) (vii) PT Kaltim Prima Coal (Joint Venture)		
- Loan Payable	2018	(37,500,000)
	2017	(14,700,000)
- Interest payable	2018	(163,833)
	2017	(173,700)
- Other payable	2018	(42,850)
	2017	(7,850)
- Interest expense	2018	(797,329)
	2017	(203,687)
- Loan taken	2018	(144,000,000)
	2017	(53,100,000)
- Dividend income	2018	134,666,666
	2017	46,933,333
- Dividend income netted off against loan	2018	(121,200,000)
	2017	(42,240,000)
(a) (viii) PT Nusa Tambang Pratama		
- Loan Payable	2018	(37,078,320)
	2017	-
- Interest Payable	2018	(736,239)
	2017	-
- Interest Expense	2018	(736,239)
	2017	-
- Loan taken	2018	(37,078,320)
	2017	-
- Other payable	2018	(11,500)
	2017	-
(a) (ix) PT Arutmin Indonesia		
- Loan Payable	2018	(48,924,761)
	2017	(48,924,761)
- Interest payable	2018	(7,907,451)
	2017	(6,130,666)
- Interest expense	2018	(1,776,785)
	2017	(1,397,050)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions Outstanding balances at the end of are unsecured and interest free and settlement occurs in cash Guarantee is outstanding from The Tata Power Company Limited on USD315 million loan as at 31 March 2018 (31 March 2017: USD425million) For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: Nil) This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

22.1 Financial assets

	2018	2017
Derivatives not designated as hedging instruments	USD	USD
Derivative Financial Assets - interest rate swaps	7,651,660	3,100,133
Total Derivative Financial Asset	7,651,660	3,100,133
Financial Assets at amortised cost		
Trade and Other receivables	14,059,525	74,476,387
Cash and Short term deposits	82,596,785	15,354,908
Loans given to related parties	281,051,712	283,632,405
Interest on short term deposits and on loan to related parties	7,000,790	5,791,621
Total Financial Assets at amortised cost	384,708,812	379,255,321
Total Financial Assets	392,360,472	382,355,454
Total Current Financial Assets	392,360,472	382,355,454
Total Non Current Financial Assets	-	-

Prepayments amounting to USD 4,550 (March 2017: USD 4,550) do not form part of financial assets.

Derivatives not designated as hedging instruments reflect the positive change in fair value of those derivative financial assets-interest rate swaps that are not designated in hedge relationships, but are purchased for the long term loan of USD460 million to mitigate the risk of adverse fluctuation in LIBOR.

Loans and receivables are non-derivative financial assets carried at amortised cost which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

22.2 Financial liabilities

Interest-bearing loans and borrowings	Interest rate	Maturity	2018	2017
Current interest-bearing loans and borrowings			USD	USD
PT Kaltim Prima Coal	LIBOR + 2%	on demand or out of dividend received by the Company	37,500,000	14,700,000
PT Arutmin Indonesia	LIBOR + 2%	on demand or out of dividend received by the Company	48,924,761	48,924,761
PT Dwikarya Prima Abadi	LIBOR + 2%	on demand or out of dividend received by the Company	33,214,759	33,214,759
PT Nusa Tambang Pratama	LIBOR + 2%	on demand or out of dividend received by the Company	37,078,320	
Total current interest-bearing loans and borrowings			156,717,840	96,839,520
Non-current interest-bearing loans and borrowings				
USD 315 M Loan from Bank	LIBOR + 1.95%	26-Feb-21	[illegible]	420,716,088
Khopoli Investments Limited	LIBOR + 0.95 % to 1.31%	31-Dec-21	273,309,418	340,000,000
Total non-current interest-bearing loans and borrowings			589,061,069	760,716,088
Total interest-bearing loans and borrowings			745,778,909	857,555,608

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

	2018	2017
Other financial liabilities	USD	USD
Derivatives not designated as hedging instruments	-	614,792
Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings	196,276,698	188,972,836
Total Other financial liabilities	196,276,698	**189,587,628**
Total Financial Liabilities	**942,055,607**	**1,047,143,236**
Total Current Financial Liabilities	**352,994,538**	**286,427,148**
Total Non Current Financial Liabilities	**589,061,069**	**760,716,088**

22.3 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company had purchased interest rate swaps for the long term loan of USD 315 million to mitigate the risk of adverse fluctuation in LIBOR. Hence, if the LIBOR is higher, the Company receives the applicable LIBOR on the notional value and pays only the fixed rate agreed on the outstanding notional value.

The Company does not use hedge accounting to account for the derivatives.

22.4 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

	31-Mar-18		31-Mar-17	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	USD	**USD**	USD	USD
Financial Assets				
Derivative Financial Assets- interest rate swaps designated as hedging instruments	7,651,660	7,651,660	3,100,133	3,100,133
Trade and Other receivables	14,059,525	14,059,525	74,476,387	74,476,387
Cash and Short term deposits	82,596,785	82,596,785	15,354,908	15,354,908
Loans given to related parties	281,051,712	281,051,712	283,632,405	283,632,405
Interest on short term deposits and on loan to related parties	7,000,790	7,000,790	5,791,621	5,791,621
Total Financial Assets	392,360,472	**392,360,472**	**382,355,454**	382,355,454
Financial Liabilities				
Interest-bearing loans and borrowings	745,778,909	745,778,909	857,555,608	857,555,608
Derivatives not designated as hedging instruments	-		614,792	614,792
Other financial liabilities	196,276,698	196,276,698	188,972,836	188,972,836
Total Financial Liabilities	**942,055,607**	**942,055,607**	**1,047,143,236**	1,047,143,236

The management assessed that the fair values of cash and short-term deposits, trade and other receivables, trade and other payables loans and other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

• The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid market, is determined with reference to quoted market prices.

• The fair value of other financial asset and financial liability is determined in accordance with generally accepted pricing model based on discounted cash flow analysis using prices from observable current market transactions and dealer quote for similar instruments.

Investments measured and reported at fair value are classified and disclosed in one of the following categories

Level 1- Quoted prices (unadjusted) in active market for identical assets and liabilities:

Level 2- Input other than quoted prices included within level 1 that are observable for the asset and liability, either directly (that is as prices) or indirectly (that is derived from prices); and

Level 3- For the asset or liability that are not based on observable market data (unobservable inputs)

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

	Average contracted fixed interest rate		Notional principal amount		Fair value assets (liabilities)	
	2018	2017	2018	2017	2018	2017
	%	%	USD	USD	USD	USD
Less than 1 year	1.945	1.945	40,000,000	40,000,000	559,476	(213,418)
Less than 1 year	1.0975	1.0975	60,000,000	60,000,000	2,292,798	1,625,614
Less than 1 year	1.0975	1.0975	55,000,000	55,000,000	2,095,927	1,474,519
Less than 1 year	1.944	1.944	75,000,000	75,000,000	1,049,863	(401,373)
Less than 1 year	1.76	-	35,000,000	-	674,160	-
Less than 1 year	1.76	-	50,000,000	-	979,436	-
			315,000,000	230,000,000	7,651,660	2,485,342

22.5 Financial instruments risk management objectives and policies

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

(i) Market Risk

Market risk is the risk that changes in market prices, such as (i) foreign exchange rates (currency risk) and (ii) interest rates (interest rate risk) will affect the Company's income or the value of its holdings of financial instruments. The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

[illegible]

(ii) Currency risk

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

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

(iii) Interest rate risk

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

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

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

	5% increase	5% decrease	5% increase	5% decrease
	31-Mar-18	31-Mar-18	31-Mar-17	31-Mar-17
	USD	USD	USD	USD
Interest expense on loan	637,977	(637,977)	658,632	(658,632)
Effect on profit before tax	(637,977)	637,977	(658,632)	658,632

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Bank interest income may fluctuate in amount, in particular due to changes in the interest rate. The impact of a 5% fluctuation in the interest rates on bank interest income would be as follows:

	5% increase 31-Mar-18 USD	5% decrease 31-Mar-18 USD	5% increase 31-Mar-17 USD	5% decrease 31-Mar-17 USD
Bank interest income	26,671	(26,671)	8,147	(8,147)
Effect on profit before tax	26,671	(26,671)	8,147	(8,147)

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

	5% increase 31-Mar-18 USD	5% decrease 31-Mar-18 USD	5% increase 31-Mar-17 USD	5% decrease 31-Mar-17 USD
Interest income on loan	58,068	(58,068)	41,560	(41,560)
Effect on profit before tax	58,068	(58,068)	41,560	(41,560)

(iv) Credit risk

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

Carrying Amount	2018 USD	2017 USD
Loan receivable	281,051,712	283,632,405
Interest receivable on loan	6,940,112	5,778,755
Management fees receivable	13,900,000	68,587,969
Expenses paid on behalf of related parties	159,525	5,888,418
	302,051,349	363,887,547

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

(v) Liquidity risk management

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

Liquidity and interest risk tables

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

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

31-Mar-18	On demand USD	Less than 1 Year USD	More than 1 Year USD	Total USD
Financial assets				
Interest-bearing loans to related parties and short term deposits	198,555,079	82,571,927	-	281,127,006
Non-interest bearing loans to related parties	82,496,633	-	-	82,496,633
Cash at Bank	24,858	-	-	24,858
Other Financial Assets	21,060,315		-	21,060,315
Derivative Financial Assets-interest rate swaps	-	7,651,660	-	7,651,660
	302,136,885	90,223,587	-	392,360,472
Financial liabilities				
Interest-bearing loans and borrowings	156,717,840	-	589,061,070	745,778,910
Non-interest bearing loans and borrowings	-	118,800,000	-	118,800,000
Derivatives not designated as hedging instruments	-	-	-	-
Other financial liabilities	77,476,698	-	-	77,476,698
	234,194,538	118,800,000	589,061,070	942,055,608

31-Mar-17	On demand USD	Less than 1 Year USD	More than 1 Year USD	Total USD
Financial assets				
Interest-bearing loans to related parties and short term deposits	173,555,079	15,135,237	-	188,690,316
Non interest-bearing loans to related parties	110,077,326	-	-	110,077,326
Cash at Bank	219,671	-		219,671
Other Financial Assets	80,268,008			80,268,008
Derivative Financial Assets-Interest rate swaps	-	3,100,133		3,100,133
	364,120,084	18,235,370		382,355,454
Financial liabilities				
Interest-bearing loans and borrowings	96,839,520	-	760,716,088	857,555,608
Non interest-bearing loans and borrowings	-	118,800,000		118,800,000
Derivatives not designated as hedging instruments	-	614,792		614,792
Other financial liabilities	70,172,836			70,172,836
	167,012,356	119,414,792	760,716,088	1,047,143,236

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year

Capital Structure

The capital structure of the Company consists of net debt, stated capital and accumulated losses

23. DIVIDEND PAID

	2018	2017
	USD	USD
Cash dividends on ordinary shares declared and paid:		
Final dividend for 31 March 2018: Nil (31 March 2017: Nil)	-	-

24. IMMEDIATE HOLDING AND ULTIMATE HOLDING COMPANY

The company regards The Tata Power Company Limited as the immediate holding and ultimate holding company. The Tata Power Company Limited is incorporated in India and listed on BSE Limited and National Stock Exchange of India Limited.

25. NON COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) 11 INTERESTS IN JOINT ARRANGEMENTS AND IFRS 12 DISCLOSURE OF INTERESTS IN OTHER ENTITIES

IFRS 11 requires a parent company that holds investments in joint ventures to apply the equity method for accounting its investments. However, the Company has not applied the equity method for accounting its joint ventures.

The Company accounts for the investments in joint ventures amounting to USD 567,456,007 (31 March 2017 - USD 316,456,007) and investment held for sale amounting to USD 100,089,097 (31 March 2017 - USD 100,089,097) at cost as at balance sheet date. Under IFRS 11, if the Company had recognized its investment in a joint venture using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures profit before tax for year ended March 31, 2018 would have been higher by USD 13,398,407 (31 March 2017 – USD 45,499,741), retained earnings would have been higher by USD 109,230,700 (31 March 2017 – USD 95,832,293), investments in joint venture would have been higher by USD 41,552,645 (31 March 2017 – USD 28,154,239), and investments held for sale would be higher by USD 67,678,055, (31 March 2017 – USD 67,678,055) as at balance sheet date. Profit before tax also includes exceptional items which would be higher by USD 44,700,873 (March 2017 – Nil).

IFRS 12 Disclosure of Interests in Other Entities requires the parent company to make additional disclosures on its joint ventures. In addition to the information disclosed for each joint venture, the Company should give a summarized financial information including current assets, non-current assets, revenue, other comprehensive income among others and a reconciliation of the summarized financial information to the carrying amount of its interest in the joint venture.

The Company has not applied IFRS 11 and IFRS 12 given the fact that the same is done at the parent (The Tata Power Company limited) level as at 31 March 2018.

26. SEGMENT INFORMANTION

The Company has only one segment of operation which has as objective of to hold investments.

27. CONTINGENCIES AND COMMITMENT

Contingencies

As at the reporting year, the Company did not have any contingency with respect to its investments in the joint ventures.

Commitments

On 14 May 2013, the Board of Directors (the "Board") had approved the buying out of Indocoal Resources (Cayman) Limited ("Indocoal") at the price that would be equivalent to the cost at which Indocoal was held in the books of Bhivpuri Investments Limited which was approximately USD432 million when the business would not be viable.

BHIRA INVESTMENTS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Year ended March, 2018	Exchange Rate	Amount	Year ended March, 2017	Exchange Rate	Amount
	USD		₹	USD		₹
REVENUE						
Dividend income	1346,66,666	64.45	86789,16,490	469,33,333	67.09	31487,38,538
Management fees income	111,20,000	64.45	7166,55,088	209,40,000	67.09	14048,56,224
	1457,86,666	64.45	93955,71,578	678,73,333	67.09	45535,94,762
OPERATING EXPENSES						
Other Operating Expenses	15,46,425	64.45	996,63,071	28,94,936	67.09	1942,20,098
	15,46,425	64.45	996,63,071	28,94,936	67.09	1942,20,098
OPERATING PROFIT	1442,40,241	64.45	92959,08,507	649,78,397	67.09	43593,74,664
Finance Income	16,94,769	64.45	1092,23,456	37,08,727	67.09	2488,17,010
Finance Cost	261,60,002	64.45	16859,44,113	272,94,646	67.09	18311,86,882
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	1197,75,008	64.45	77191,87,850	413,92,478	67.09	27770,04,791
Exceptional Item	2510,00,000	64.45	161762,97,399	-	67.09	-
PROFIT BEFORE TAX	3707,75,008	64.45	238954,85,250	413,92,478	67.09	27770,04,791
Income Tax Expense	134,66,666	64.45	8678,91,610	46,93,333	67.09	3148,73,834
PROFIT / (LOSS) AND OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	**3573,08,342**	**64.45**	**230275,93,639**	**366,99,145**	67.09	**24621,30,957**

BHIRA INVESTMENTS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	As at March, 2018	Exchange Rate	Amount	As at March, 2017	Exchange Rate	Amount
	USD		₹	USD		₹
ASSETS						
Non current assets						
Interest in joint ventures	5674,56,007	65.18	369853,63,896	3164,56,007	64.85	205221,72,054
Non current financial asset	101	65.18	6,583	-		-
	5674,56,108	65.18	369853,70,479	3164,56,007	64.85	205221,72,054
Current assets						
Trade and other receivables	140,59,525	65.18	9163,64,691	744,76,387	64.85	48297,93,697
Cash and Short term deposits	825,96,785	65.18	53834,51,954	153,54,908	64.85	9957,65,784
Other current financial Assets	2957,04,162	65.18	192732,58,019	2925,24,159	64.85	189701,91,711
Prepayments	4,550	65.18	2,96,558	4,550	64.85	2,95,067
	3923,65,022	65.18	255733,71,222	3823,60,004	64.85	247960,46,259
Assets classified as held for sale						
Investments in joint ventures	1000,89,097	65.18	65235,57,120	1000,89,097	64.85	64907,77,940
	1000,89,097	65.18	65235,57,120	1000,89,097	64.85	64907,77,940
Total assets	**10599,10,227**	**65.18**	**690822,98,821**	**7989,05,108**	**64.85**	**518089,96,253**
EQUITY AND LIABILITIES						
Capital and reserves						
Stated capital	10,00,000	41.00	410,00,000	10,00,000	41.00	410,00,000
(Accumulated losses) / retained earnings	1055,06,913	59.78	63067,75,496	(2518,01,429)	66.40	(167208,18,143)
Foreign Currency Translation Reserves	-		5940,78,826	-		4153,45,471
(Shareholder's deficit) / Total equity	1065,06,913	65.18	69418,54,322	(2508,01,429)	64.85	(162644,72,672)
Non current liabilities						
Non current financial liabilities	2733,09,418	65.18	178136,24,592	3400,00,000	64.85	220490,00,000
Interest bearing loans and borrowings	3157,51,651	65.18	205799,03,233	4207,16,088	64.85	272834,38,307
	5890,61,069	65.18	383935,27,825	7607,16,088	64.85	493324,38,307
Current liabilities						
Other payables	774,76,698	65.18	50497,37,484	701,72,836	64.85	45507,08,415
Other current financial liabilities	2755,17,840	65.18	179575,64,017	2162,54,312	64.85	140240,92,133
Advance from sale of investment in joint venture	113,47,707	65.18	7396,15,173	25,63,301	64.85	1662,30,070
	3643,42,245	65.18	237469,16,674	2889,90,449	64.85	187410,30,618
Total Equity and Liabilities	**10599,10,227**	**65.18**	**690822,98,821**	**7989,05,108**	**64.85**	**518089,96,253**

BHIRA INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Stated Capital	Exchange Rate	Amount	Retained earnings	Exchange Rate	Amount	Total	Exchange Rate	Amount
	USD		₹	USD		₹	USD		₹
At 1 April 2016	10,00,000	41.00	410,00,000	(2885,00,574)	66.49	(191829,49,100)	(2875,00,574)	66.58	(191419,49,100)
Loss and total comprehensive loss for the year				366,99,145	67.09	24621,30,957	366,99,145	67.09	24621,30,957
At 31 March 2017	**10,00,000**	**41.00**	**410,00,000**	**(2518,01,429)**	**66.40**	**(167208,18,143)**	**(2508,01,429)**	**66.51**	**(166798,18,143)**
Profit and total comprehensive income for the year				3573,08,342	64.45	230275,93,639	3573,08,342	64.45	230275,93,639
At 31 March 2018	**10,00,000**	**41.00**	**410,00,000**	**1055,06,913**	**59.78**	**63067,75,496**	**1065,06,913**	**59.60**	**63477,75,496**

BHIRA INVESTMENTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Year ended March, 2018	Exchange Rate	Amount	Year ended March, 2017	Exchange Rate	Amount
	USD		₹	USD		₹
Cash flows from operating activities						
Profit / (loss) before tax	3707,75,008	64.45	238954,85,250	413,92,478	67.09	27770,04,792
Adjustments for:						
Bank interest income	(5,33,411)	64.45	(343,76,952)	(1,62,937)	67.09	(109,31,378)
Interest income on loan	(11,61,358)	64.45	(748,46,504)	(8,31,197)	67.09	(557,64,674)
Loan amortisation income	-	64.45	-		67.09	-
Interest expenses on loan from related parties	127,59,549	64.45	8223,19,758	131,72,649	67.09	8837,47,752
Reversal of Impairment	(2510,00,000)	64.45	(161762,97,399)	-	67.09	-
Interest expenses on loan from banks	174,98,354	64.45	11277,23,420	125,58,115	67.09	8425,18,912
Marked to market gain on derivatives	(51,58,669)	64.45	(3324,62,804)	(24,85,341)	67.09	(1667,40,534)
Provision for doubtful debts	-	64.45	-	7,84,494	67.09	526,31,389
	1431,79,473	64.45	92275,44,768	644,28,261	67.09	43224,66,259
Movement in working capital :						
Decrease in other receivables	(35,37,225)	64.45	(2279,64,954)	(214,41,420)	67.09	(14384,96,290)
Increase in other payables	200,95,254	64.45	12950,86,873	96,92,570	67.09	6502,70,644
Cash generated from operating activities	165,58,029	64.45	10671,21,918	(117,48,850)	67.09	(7882,25,646)
Dividend income netted off against loan	(1212,00,000)	64.45	(78110,24,880)	(422,40,000)	67.09	(28338,64,704)
Cash generated from operating activities	385,37,502	64.45	24836,41,806	104,39,411	67.09	7003,75,909
Withholding tax suffered	(134,66,666)	64.45	(8678,91,610)	(46,93,333)	67.09	(3148,73,834)
Net cash generated from operating activities	**250,70,836**	**64.45**	**16157,50,196**	**57,46,078**	67.09	**3855,02,075**
Cash flows from investing activities						
Bank interest received	4,85,599	64.45	312,95,593	1,50,071	67.09	100,68,203
Advance from sale of investment in joint venture	87,84,406	64.45	5661,32,127	25,63,301	67.09	1719,70,839
Purchase of Investment	(101)	64.45	(6,509)	-	67.09	-
Net cash generated from investing activities	**92,69,904**	**64.45**	**5974,21,211**	**27,13,372**	**67.09**	**1820,39,042**
Cash flows from financing activities						
Interest paid on loan from bank	(123,69,987)	64.45	(7972,13,500)	(127,73,190)	67.09	(8569,48,208)
Interest paid on loan from related party	(8,07,196)	64.45	(520,21,683)	-	67.09	-
Loan received from related party	1810,78,320	64.45	116700,26,920	566,40,000	67.09	37999,54,945
Loan to related party	(250,00,000)	64.45	(16111,85,000)	(180,00,000)	67.09	(12076,12,800)
Loan repaid to bank	(1100,00,000)	64.45	(70892,14,000)	(350,00,000)	67.09	(23481,36,000)
Loan repaid by related party	-	64.45	-	86,83,074	67.09	5825,43,961
Interest received on loan	-	64.45	-	19,52,234	67.09	1309,74,598
Loan management fee income received	-	64.45	-	4,42,700	67.09	297,00,566
Net cash generated from / (used in) financing activities	**329,01,137**	**64.45**	**21203,92,737**	**19,44,818**	**67.09**	**1304,77,062**
Net increase / (decrease) in cash and cash equivalents	**672,41,877**	64.45	**43335,64,144**	**104,04,268**	67.09	**6980,18,178**
Cash and cash equivalents at beginning of year	153,54,908	64.85	9957,65,784	49,50,640	66.25	3279,67,523
Effect of exchange fluctuation on cash and cash equivalents			541,22,027			(302,19,917)
Cash and cash equivalents at end of the year	**825,96,785**	**65.18**	**53834,51,954**	**153,54,908**	**64.85**	**9957,65,784**